EXHIBIT 1

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,

[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

EXHIBIT 2

2025–2026 Winter Reliability Assessment

November 2025

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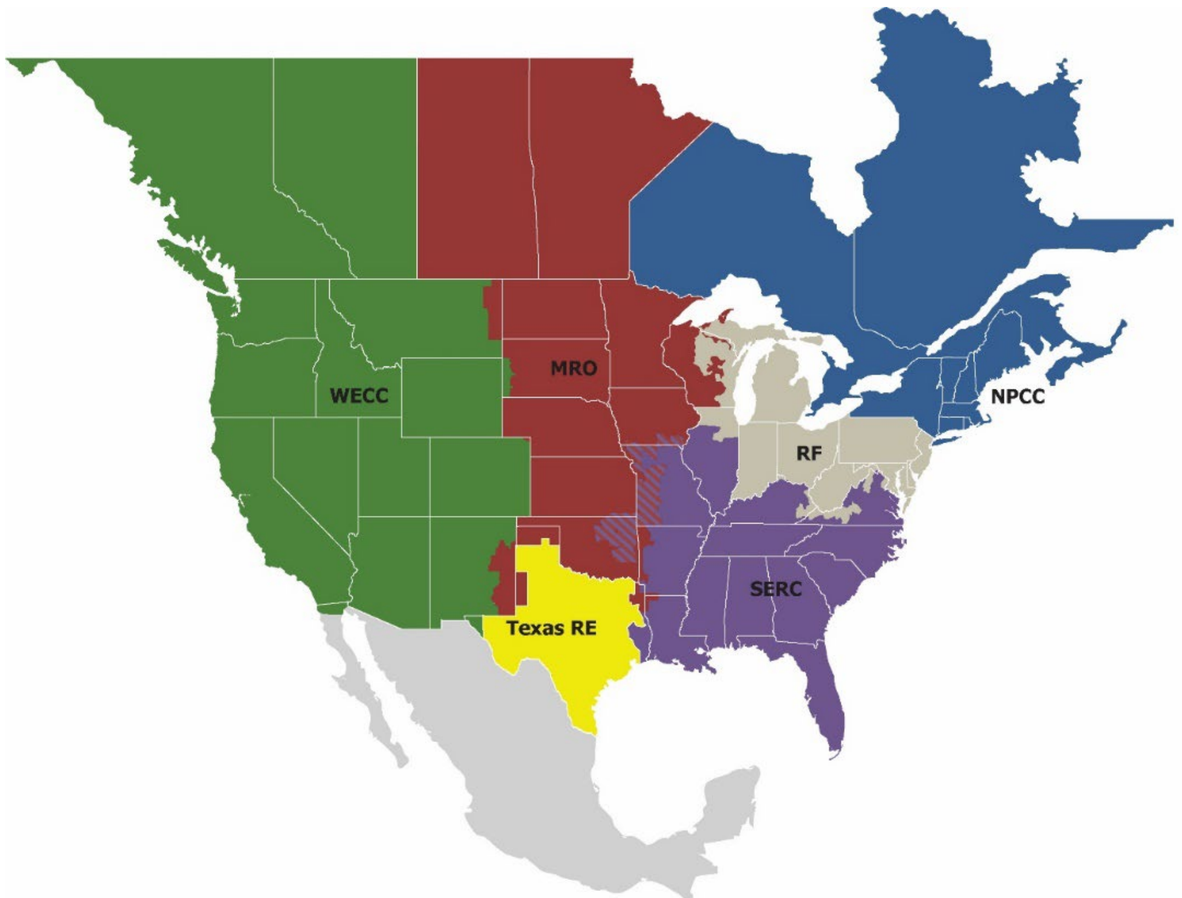
Preface

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-

[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.

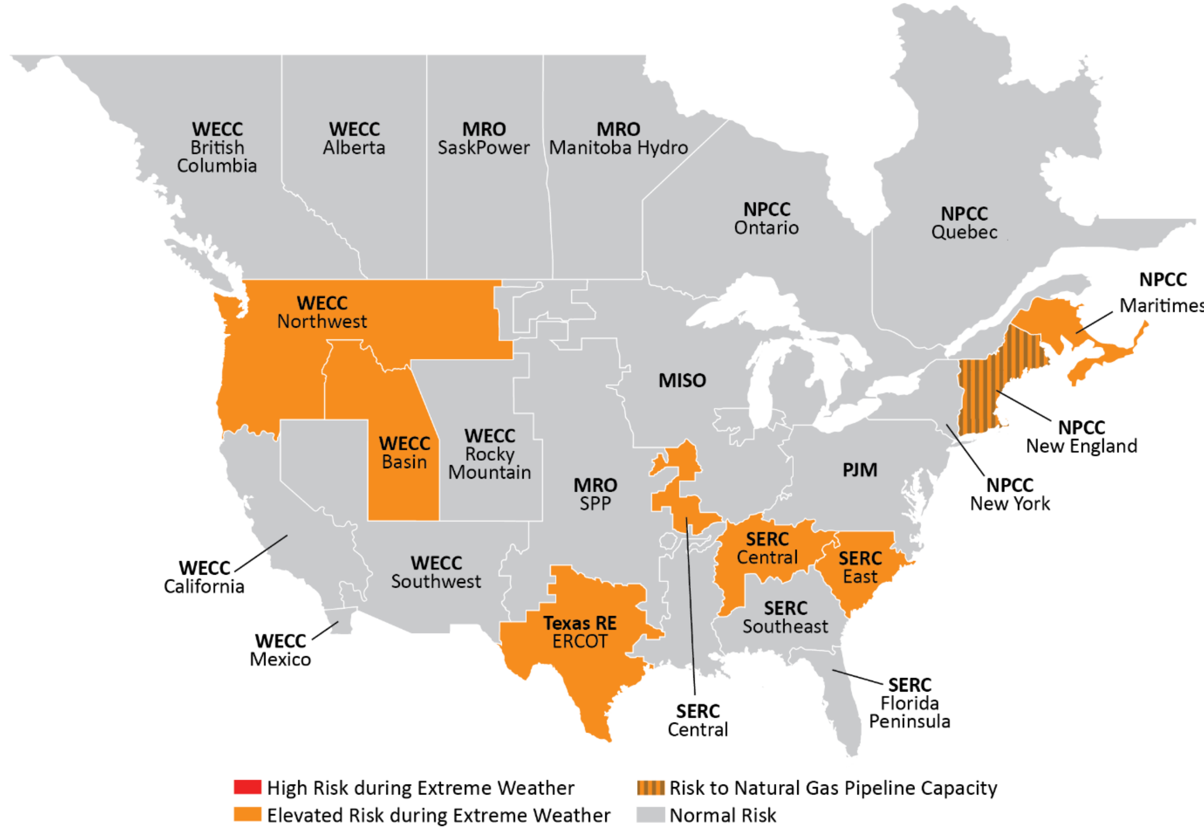


Figure 1: Winter Reliability Risk Area Summary

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.

[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.

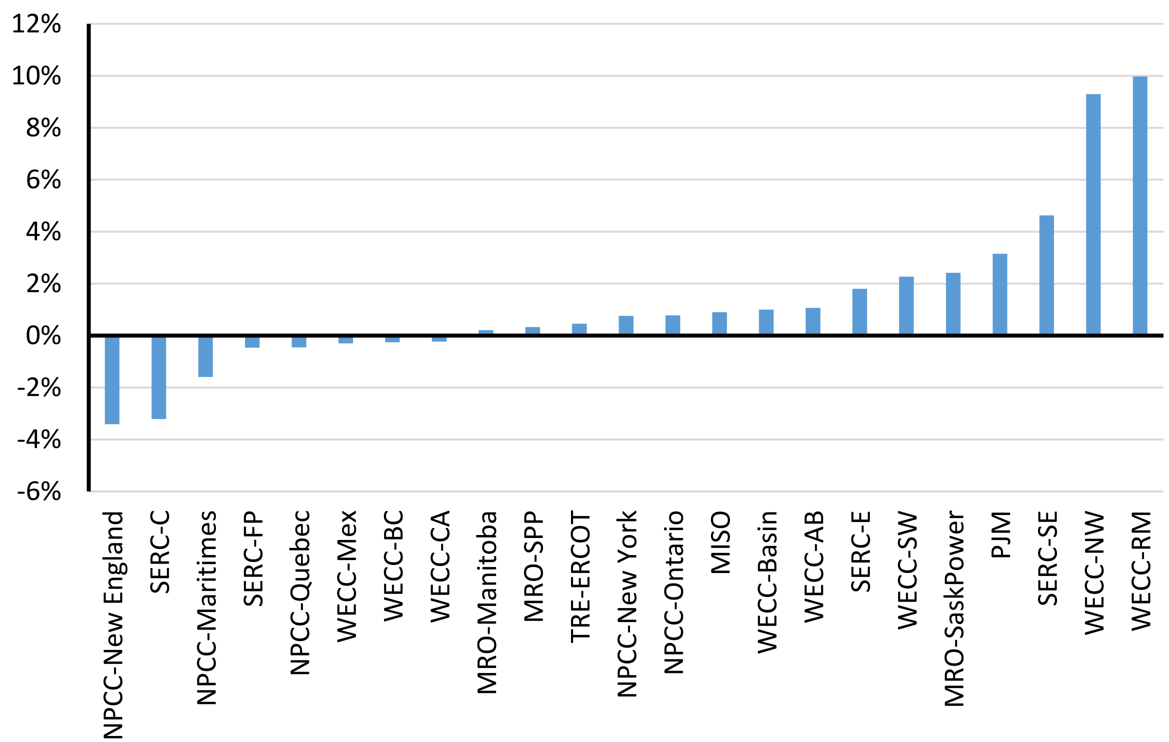


Figure 2: Change in Net Internal Demand—Winter 2025–2026 Forecast Compared to Winter 2024–2025 Forecast

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

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

[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.

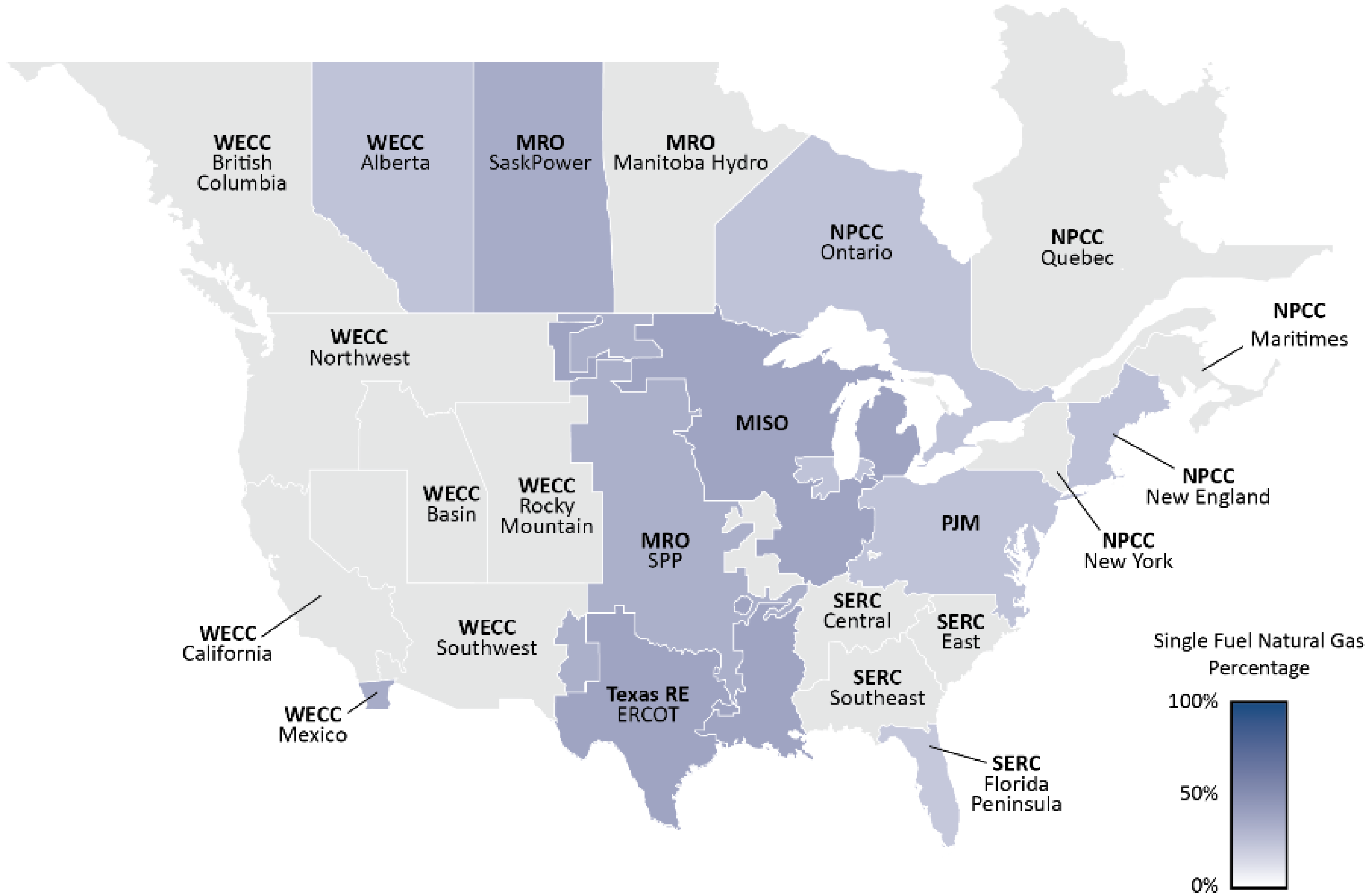
Natural gas infrastructure freeze protection mitigations are voluntary for the natural gas industry in most of North America. Texas is an exception, where the Railroad Commission of Texas adopted rules to require critical natural gas facilities to implement weather-related emergency preparation measures.[7] 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.

[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

[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.

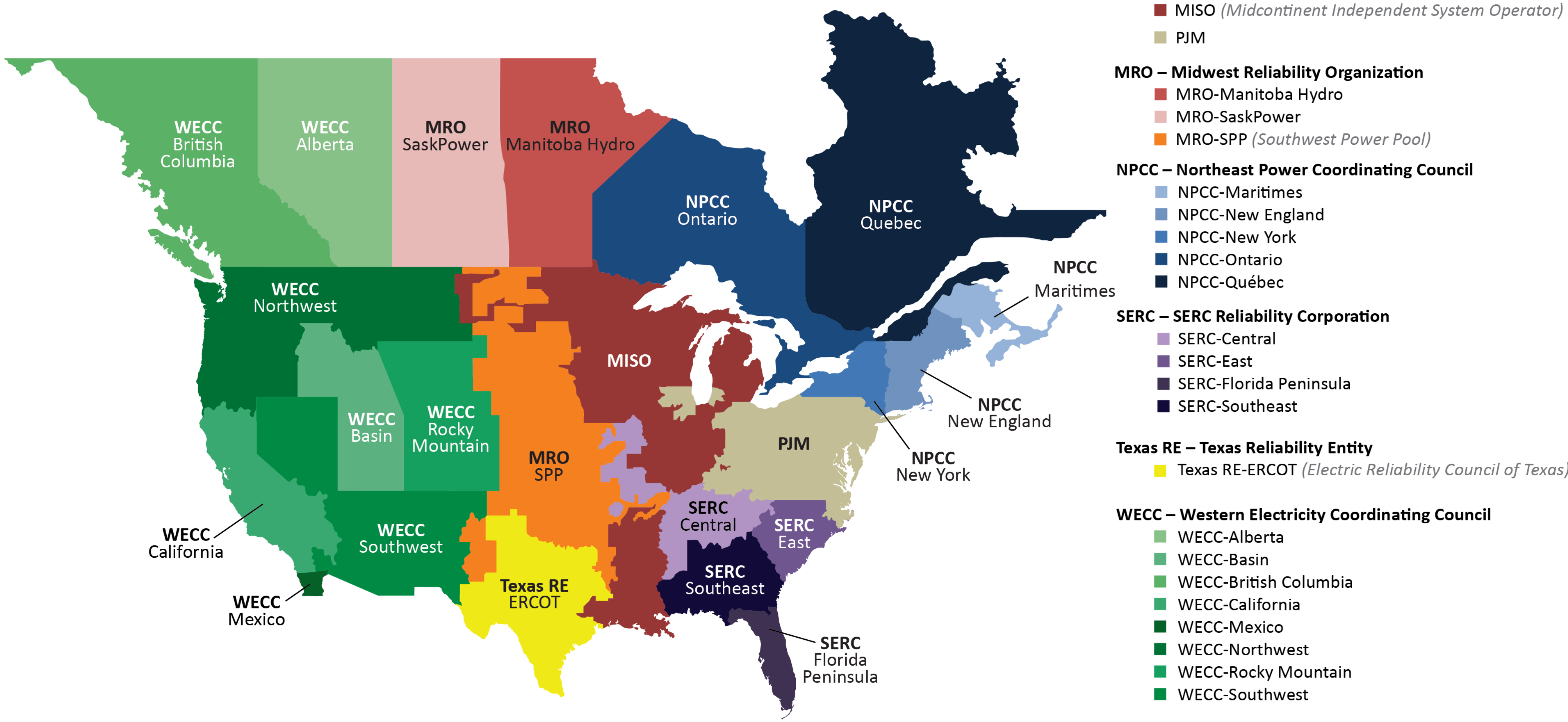
Table 5: Probability-Based Risk Assessment		
Area	**Type of Assessment**	**Results and Insight from Assessment**
MISO	Deterministic	MISO does not provide a probabilistic assessment for the WRA. MISO applies a deterministic look at expected system conditions, looking at generation availability under typical 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.

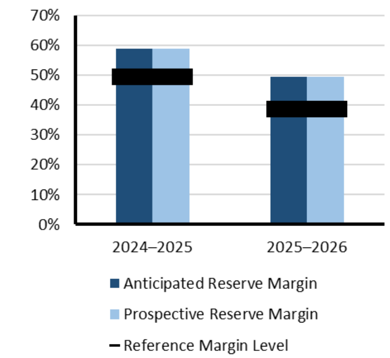


MISO

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.

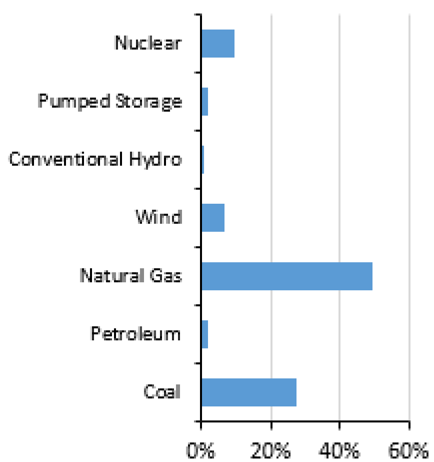
On-Peak Reserve Margin[10]



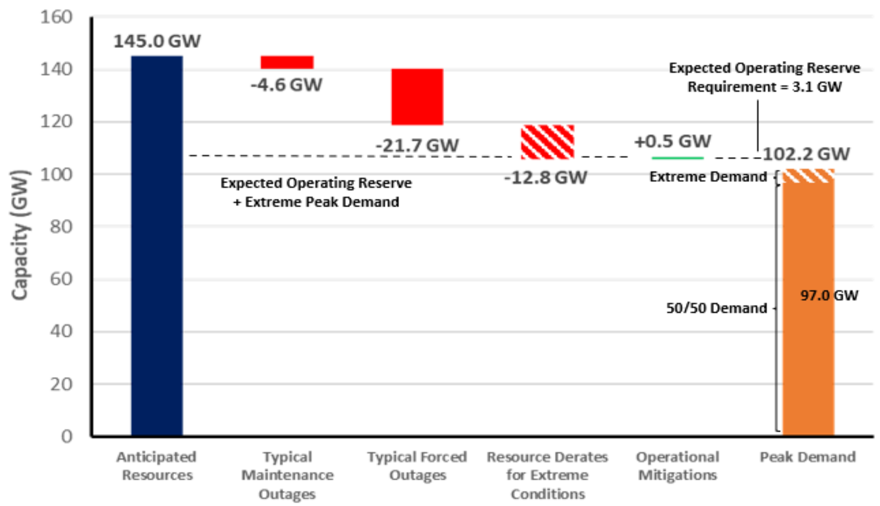
Risk Scenario Summary

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

[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.

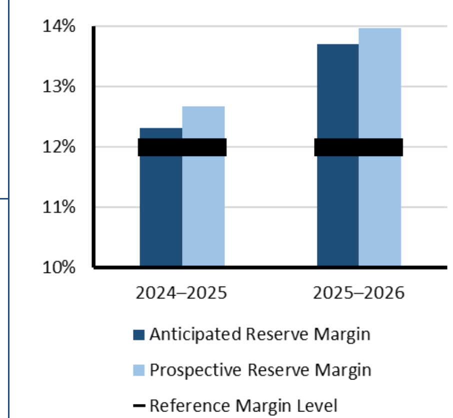
Highlights

- 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.

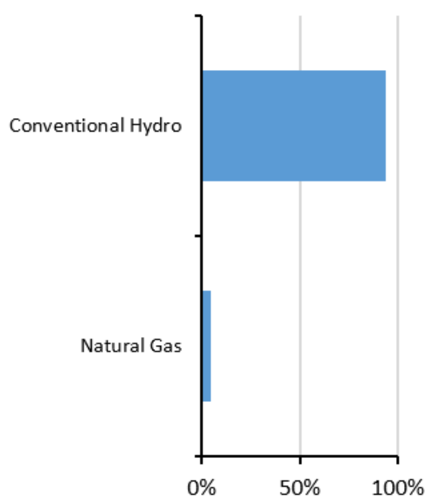
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

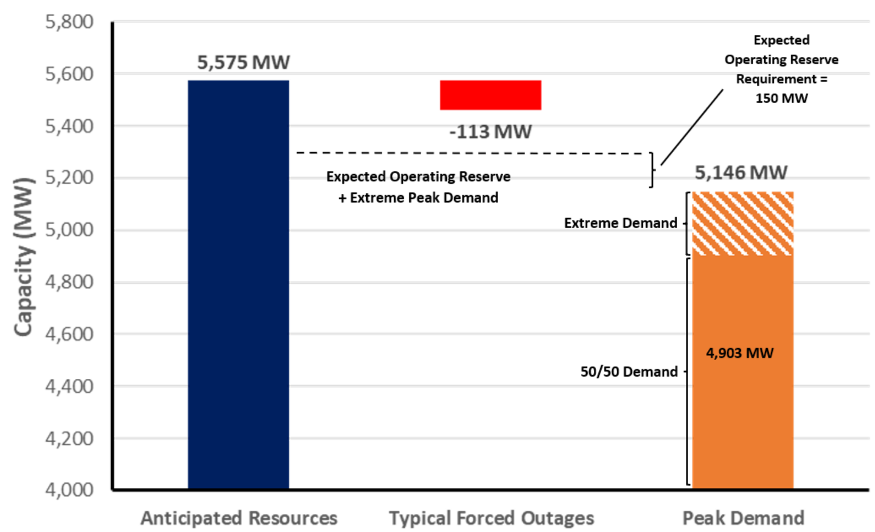
On-Peak Reserve Margin



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.

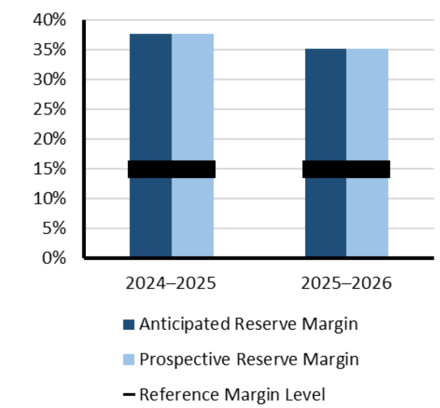
Highlights

- 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.

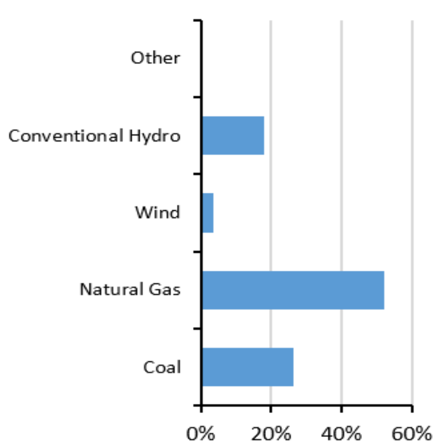
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

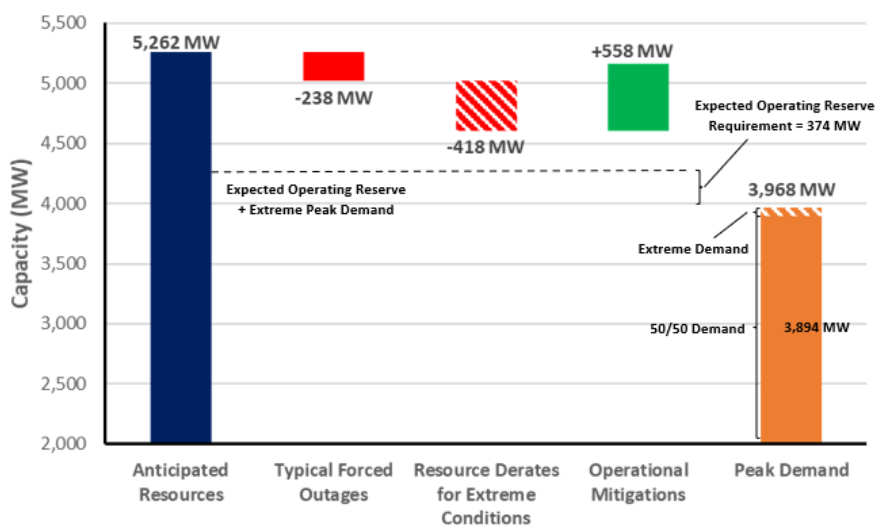
On-Peak Reserve Margin



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

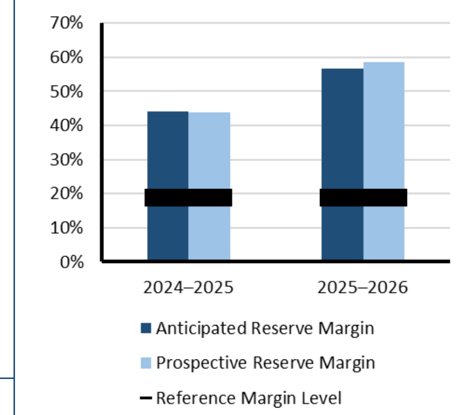
MRO-SPP

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.

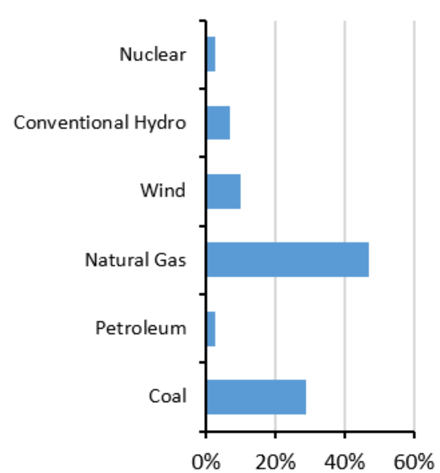
On-Peak Reserve Margin



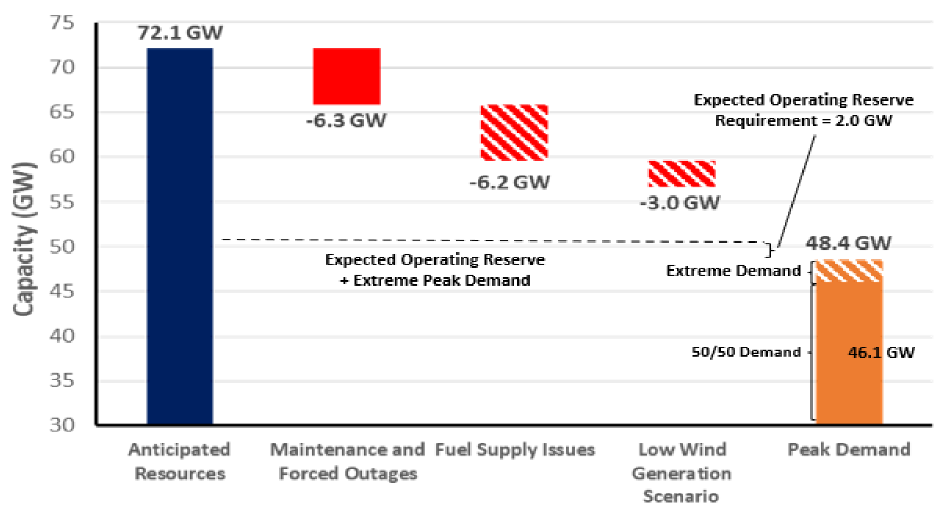
Risk Scenario Summary

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 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.

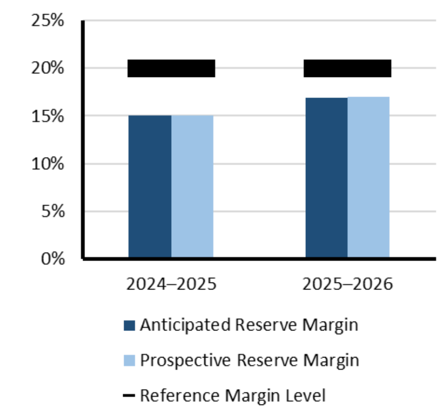
Highlights

- 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.

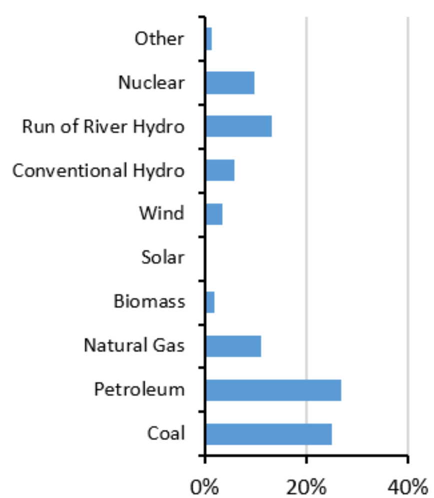
Risk Scenario Summary

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.

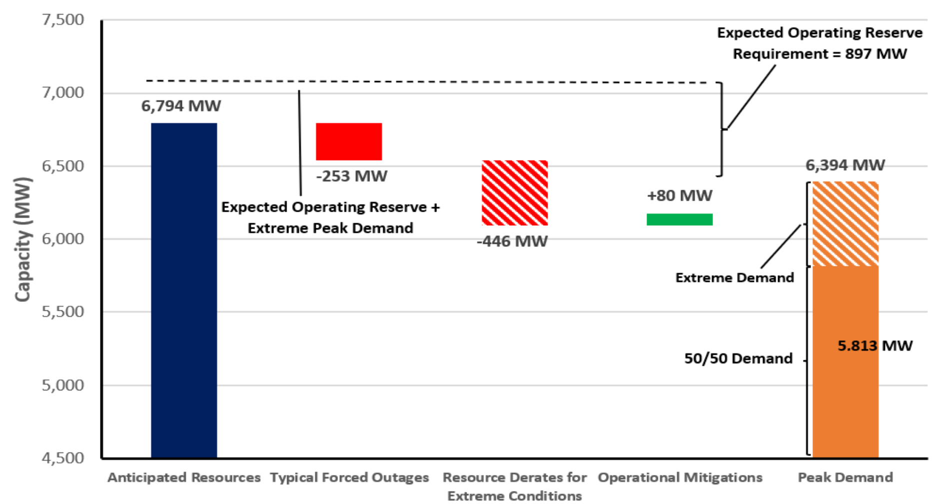
On-Peak Reserve Margin



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

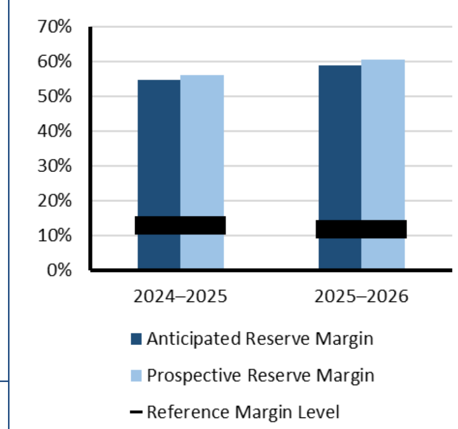
NPCC-New England is an assessment area consisting of the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont that is served by ISO New England (ISO-NE) Inc. ISO-NE is a regional transmission organization that is responsible for the reliable day-to-day operation of New 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.

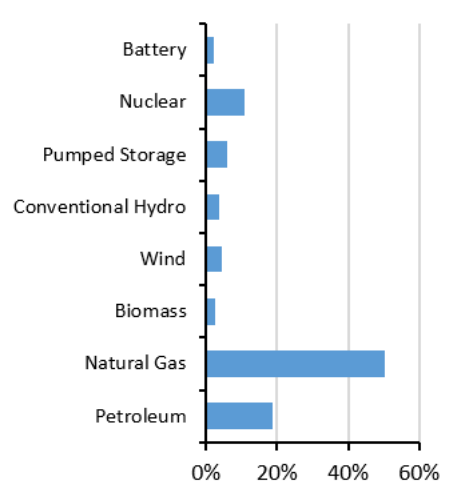
On-Peak Reserve Margin



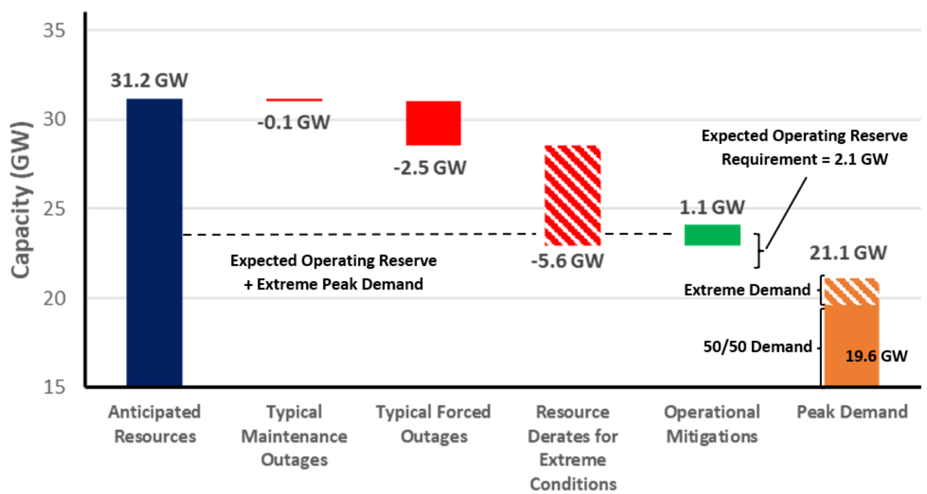
Risk Scenario Summary

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 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%.

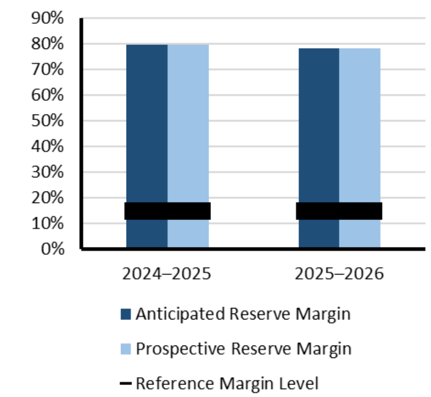
Highlights

- 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.

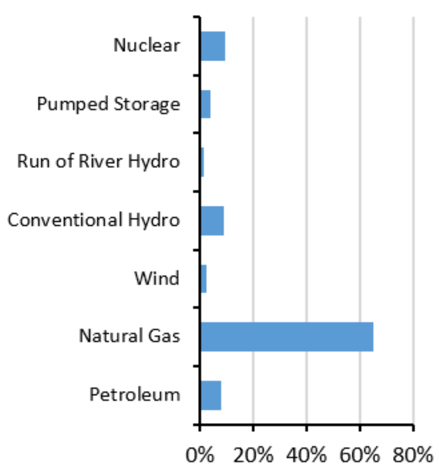
Risk Scenario Summary

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

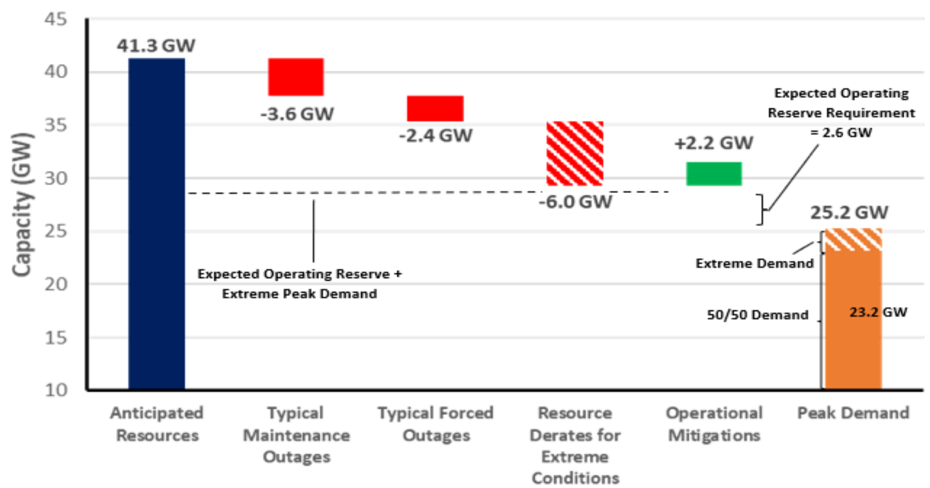
On-Peak Reserve Margin



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

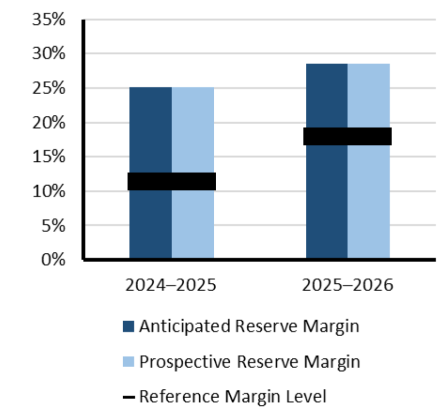
NPCC-Ontario

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.

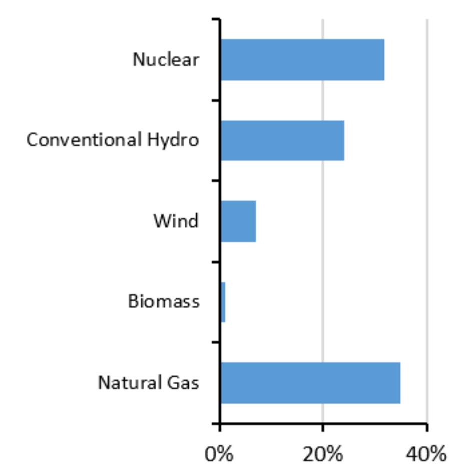
On-Peak Reserve Margin



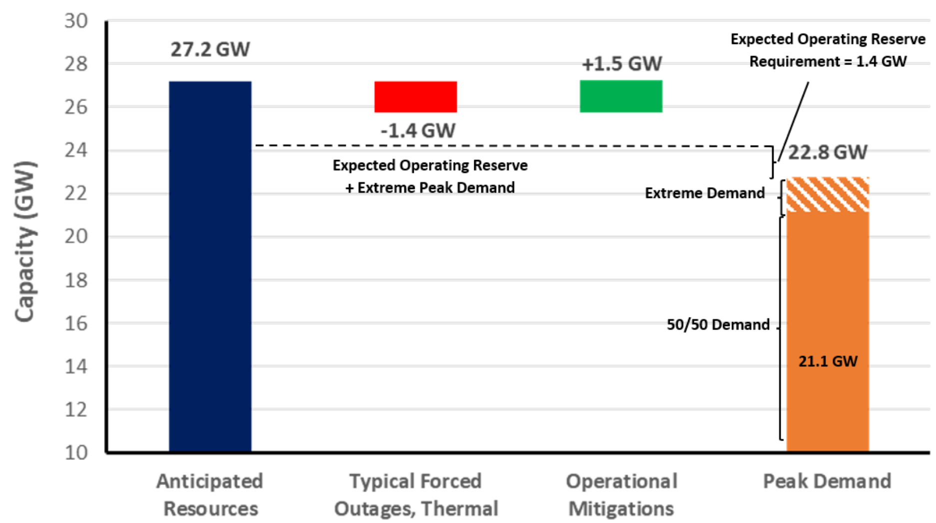
Risk Scenario Summary

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 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

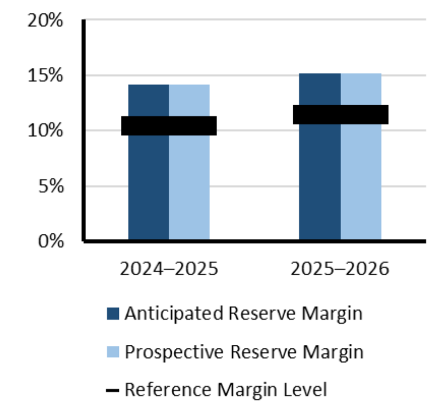
NPCC-Québec

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.

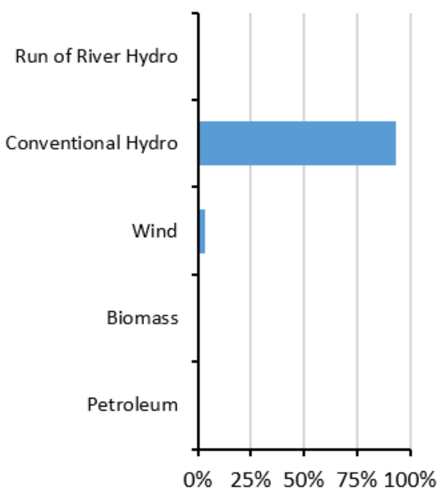
On-Peak Reserve Margin



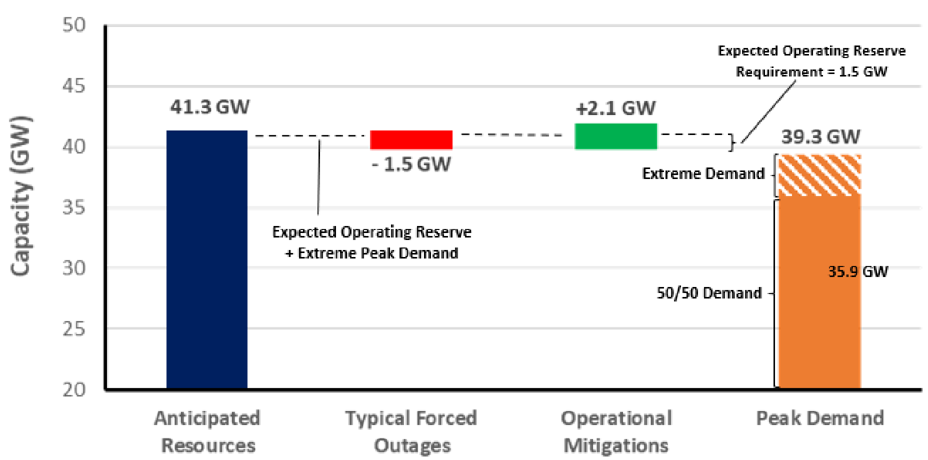
Risk Scenario Summary

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 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

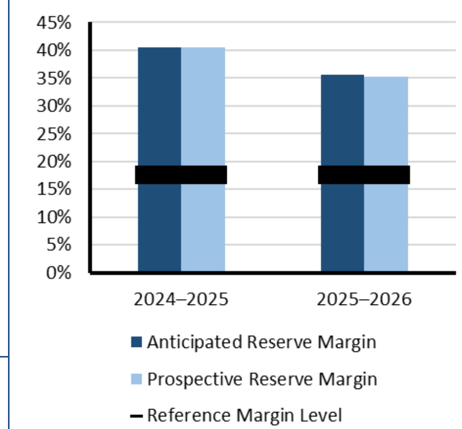
PJM

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.

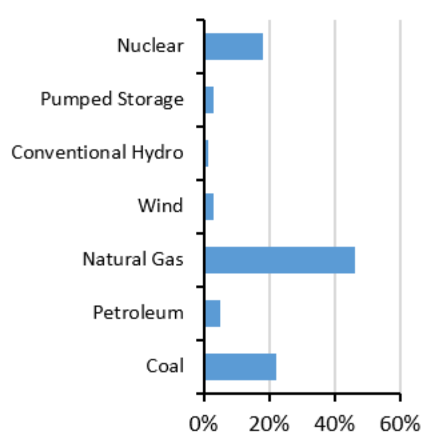
On-Peak Reserve Margin



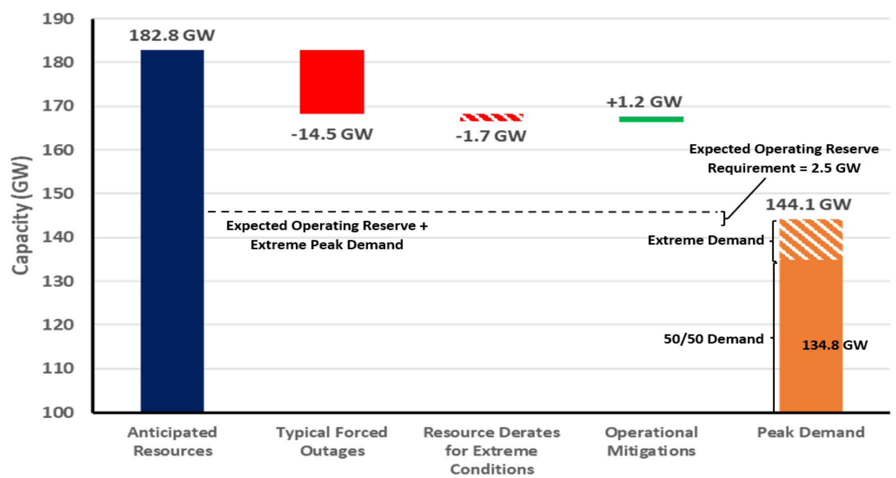
Risk Scenario Summary

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.

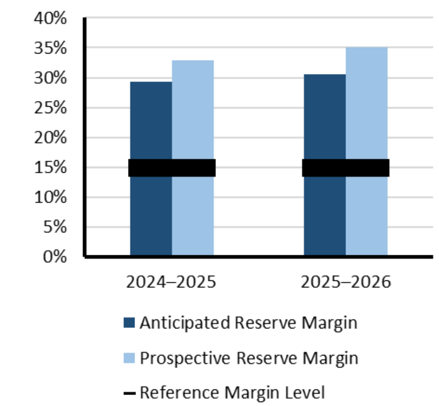
Highlights

- 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.

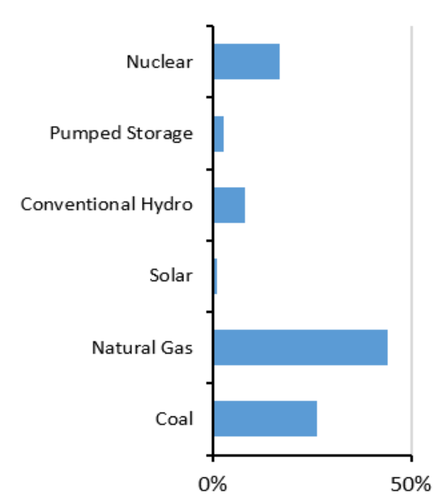
Risk Scenario Summary

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.

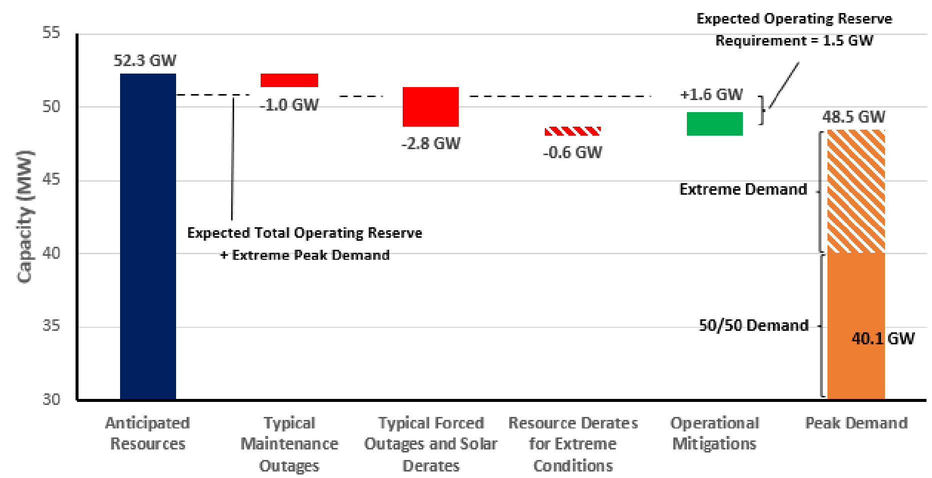
On-Peak Reserve Margin



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

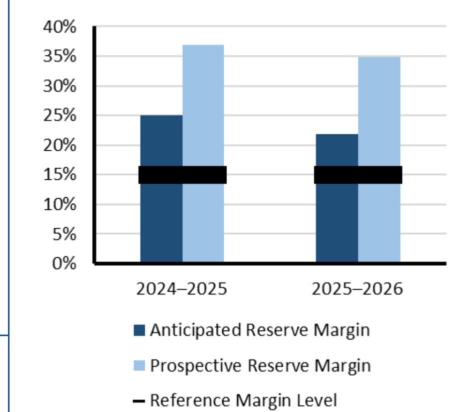
SERC-East

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.

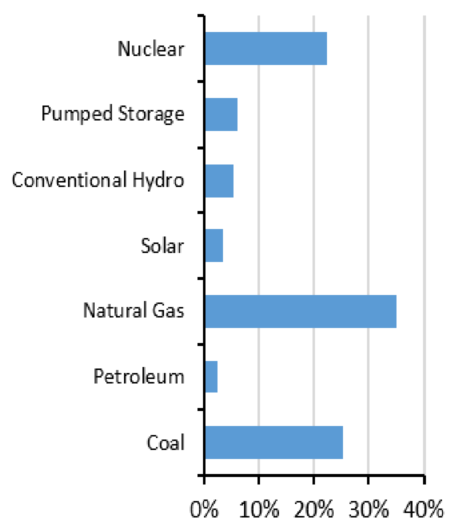
On-Peak Reserve Margin



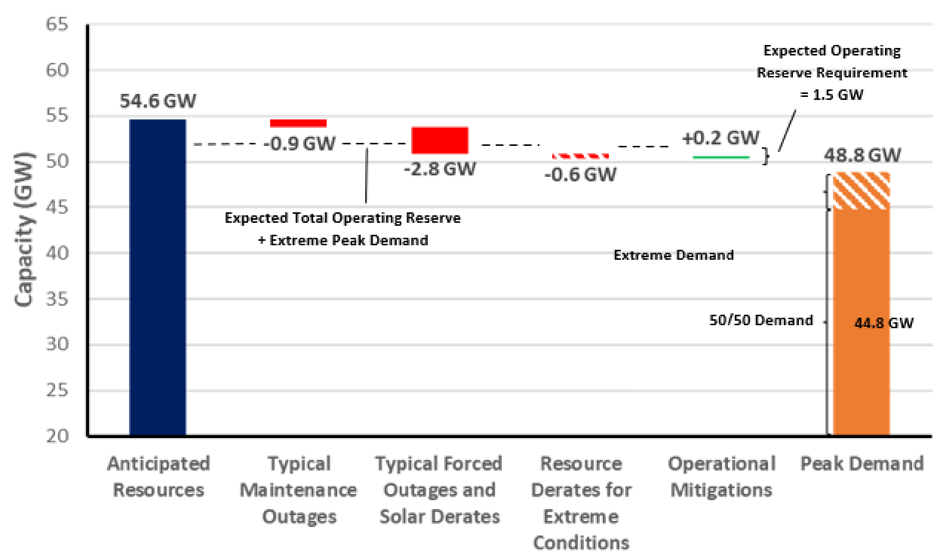
Risk Scenario Summary

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 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

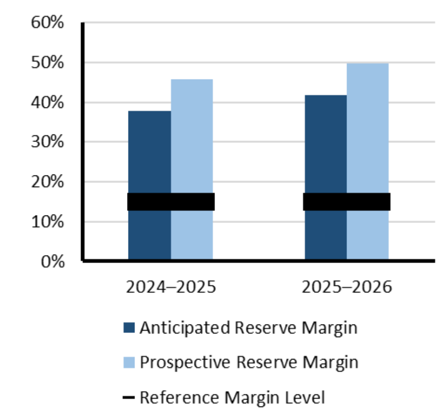
SERC-Florida Peninsula

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.

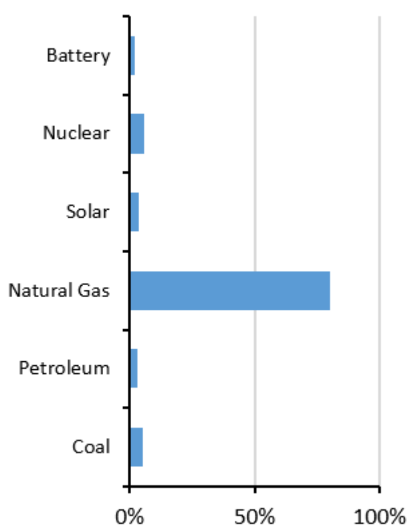
On-Peak Reserve Margin



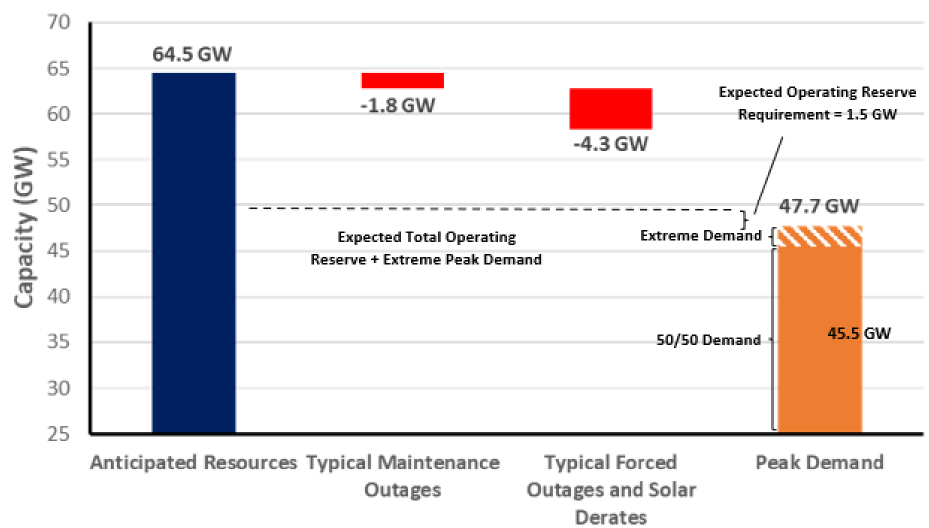
Risk Scenario Summary

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.

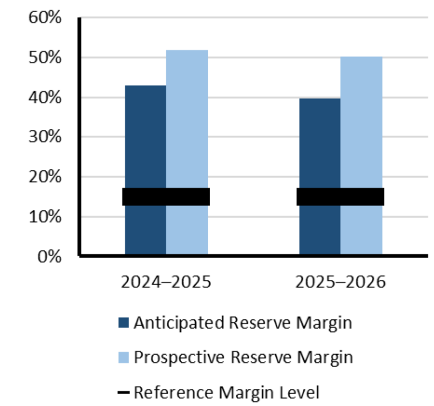
Highlights

- 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.

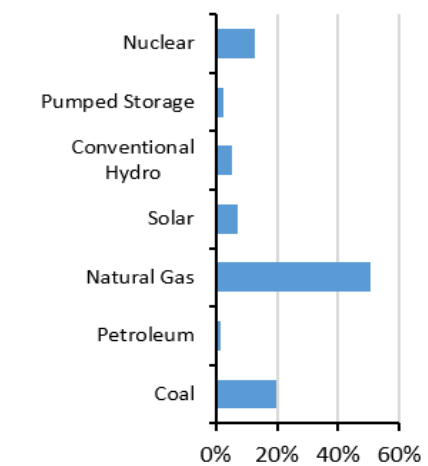
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

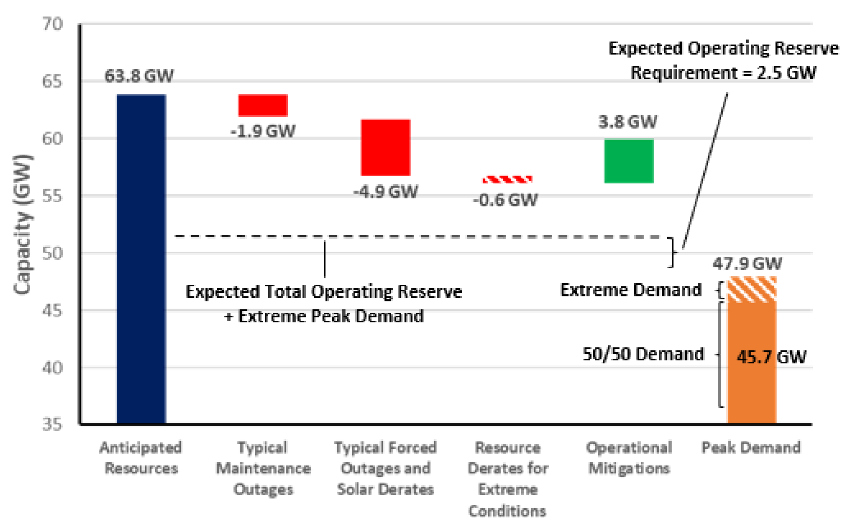
On-Peak Reserve Margin



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.

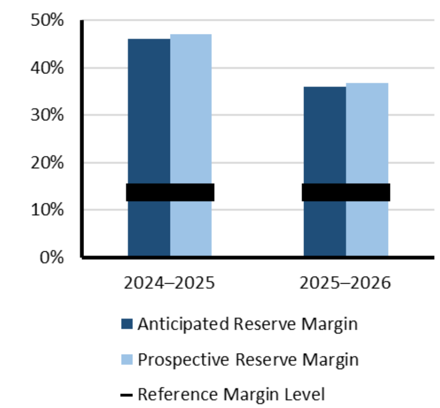
Highlights

- 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.

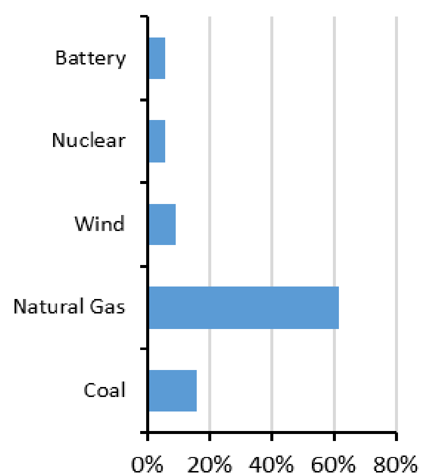
Risk Scenario Summary

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.

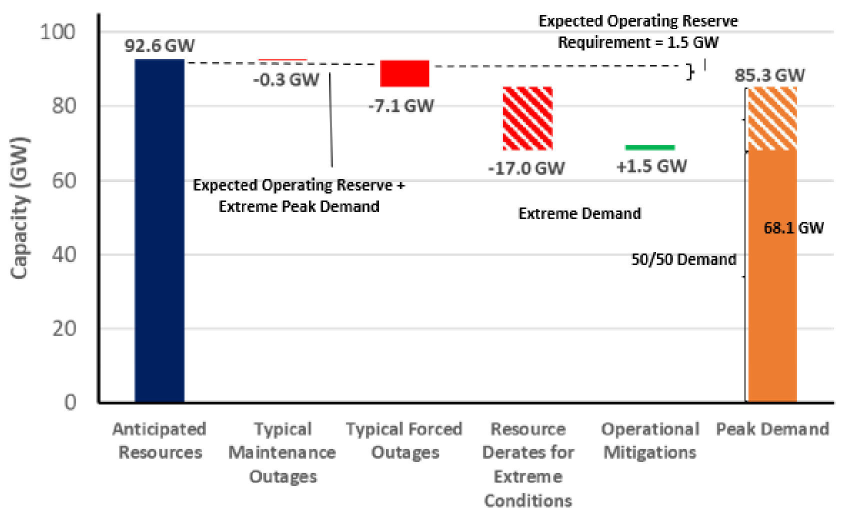
On-Peak Reserve Margin



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: 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.

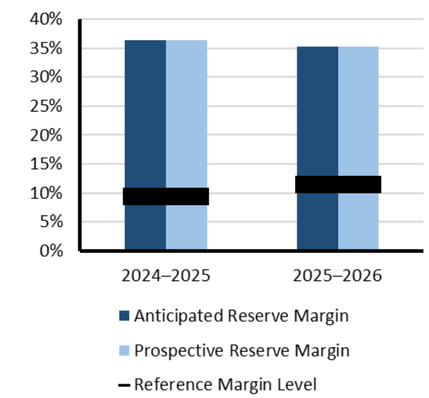
Highlights

- 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.

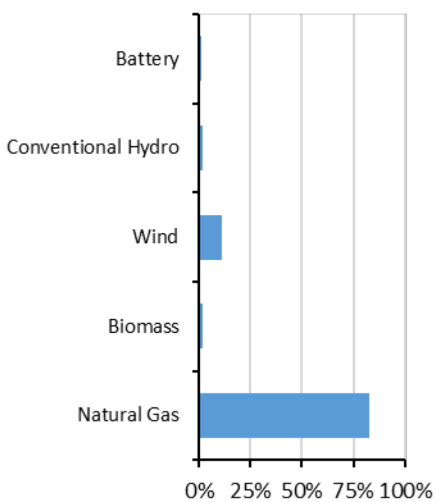
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

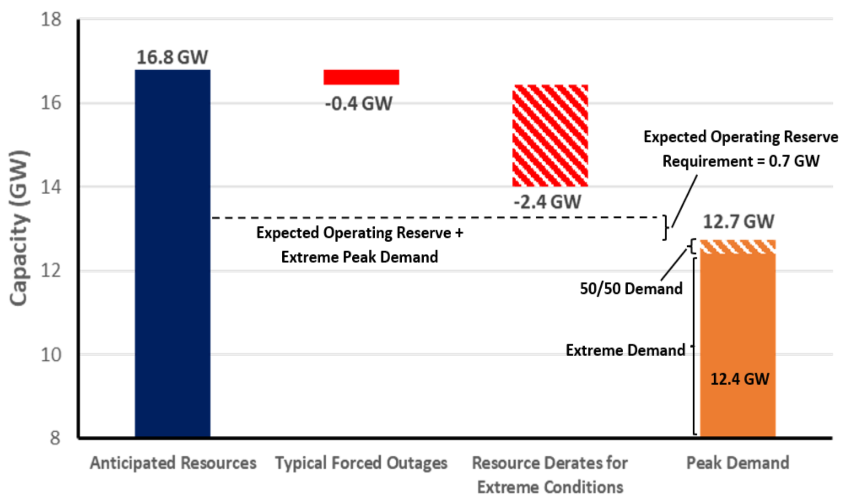
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



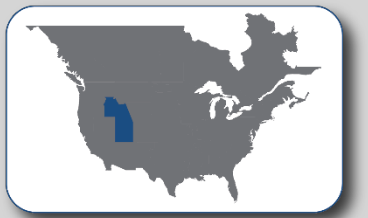
Scenario Description (See Data Concepts and Assumptions)

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.*

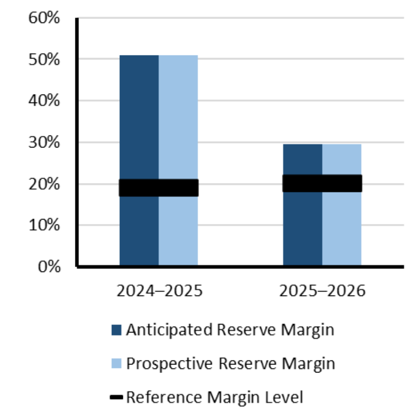
Highlights

- 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.

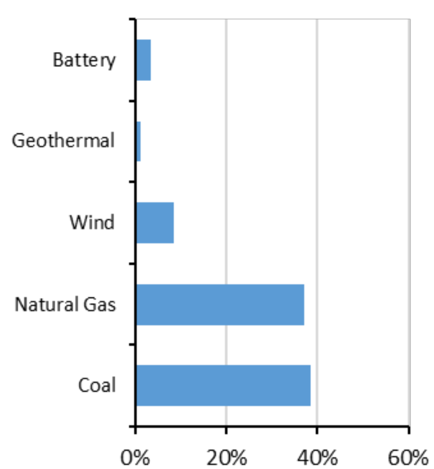
Risk Scenario Summary

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.

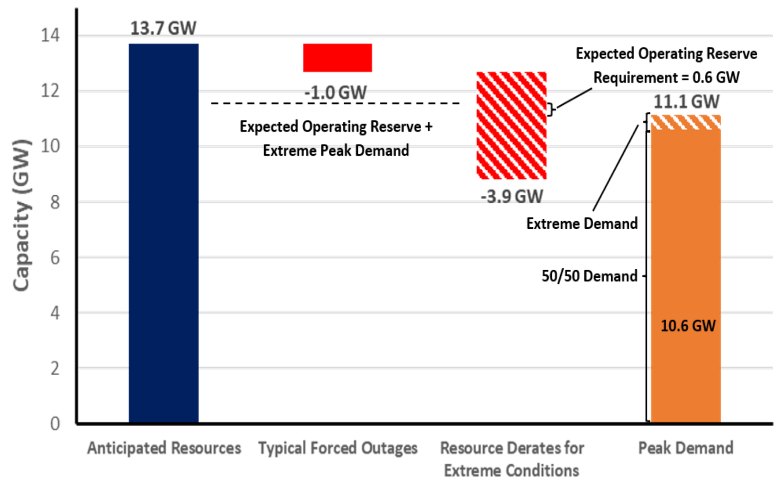
On-Peak Reserve Margin



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.

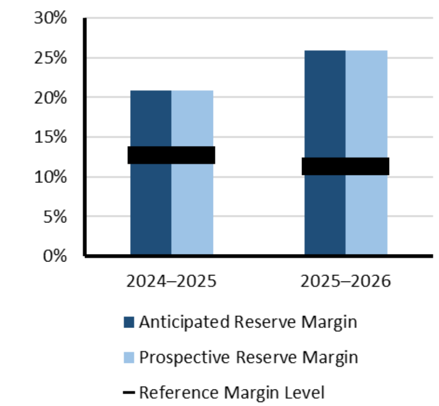
Highlights

- 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.

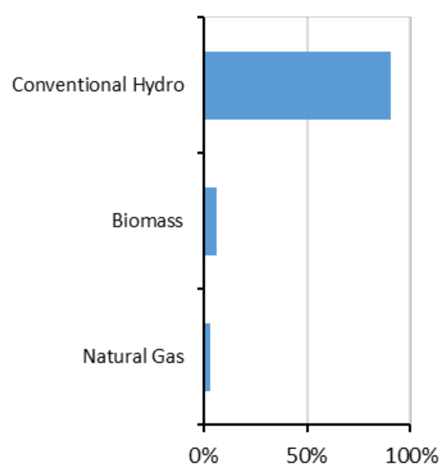
Risk Scenario Summary

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

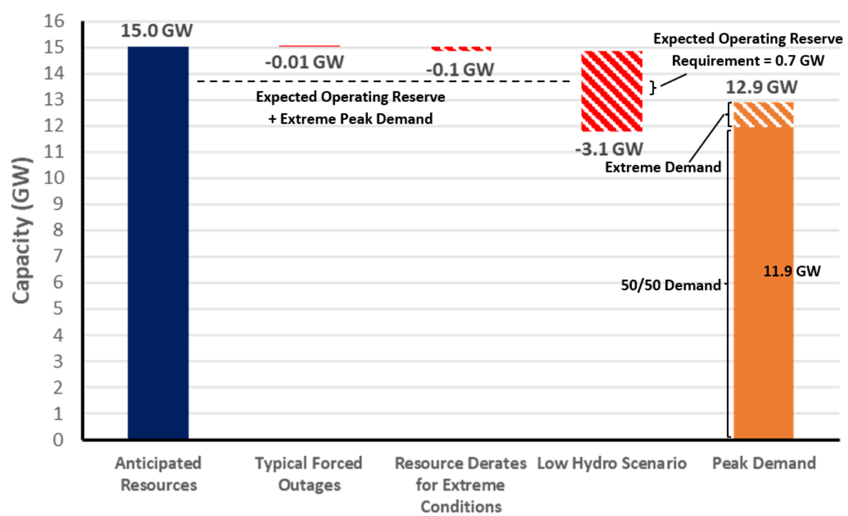
On-Peak Reserve Margin



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.*

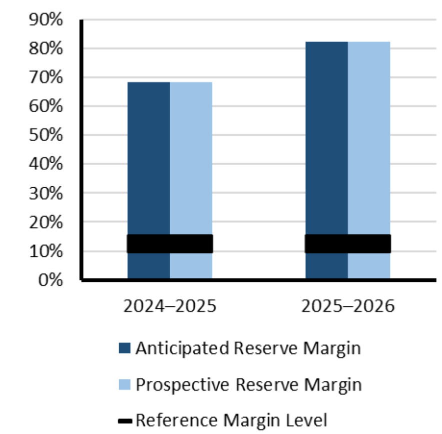
Highlights

- 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.

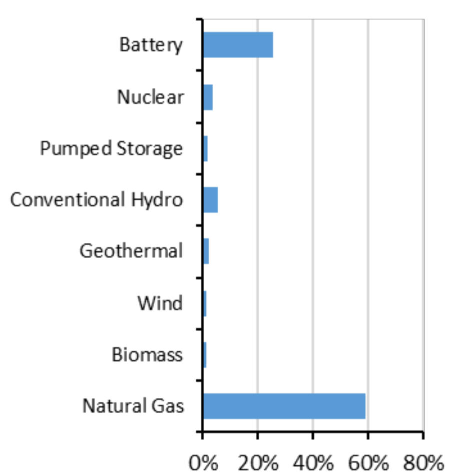
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

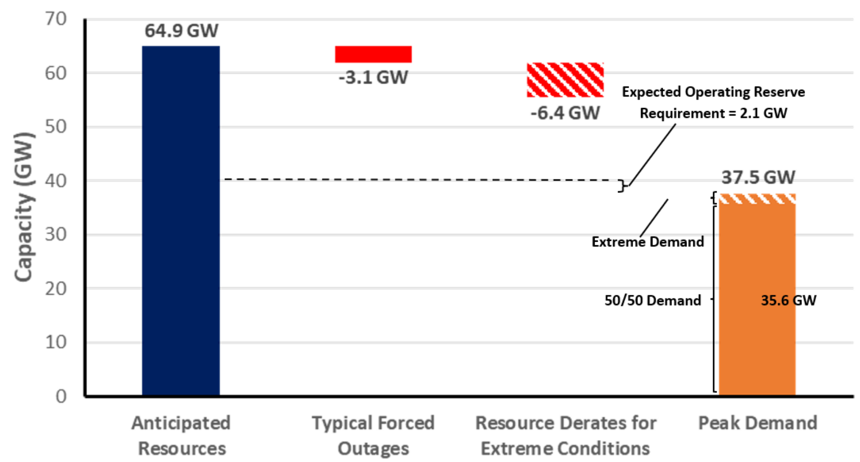
On-Peak Reserve Margin



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

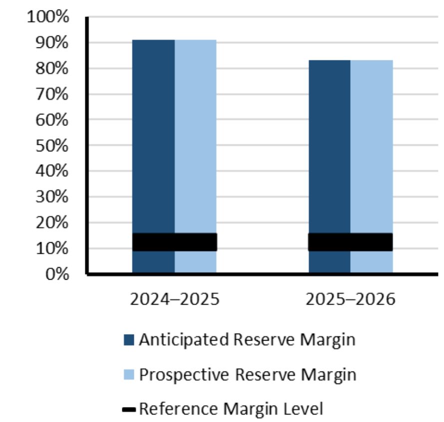
WECC-Mexico

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.

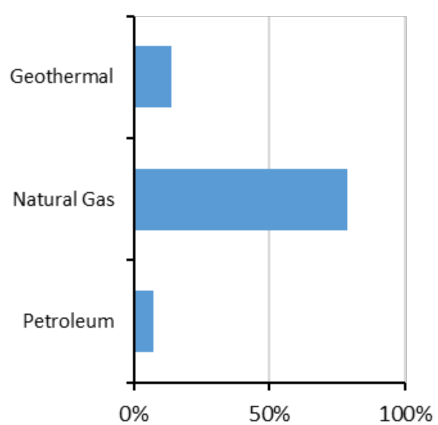
On-Peak Reserve Margin



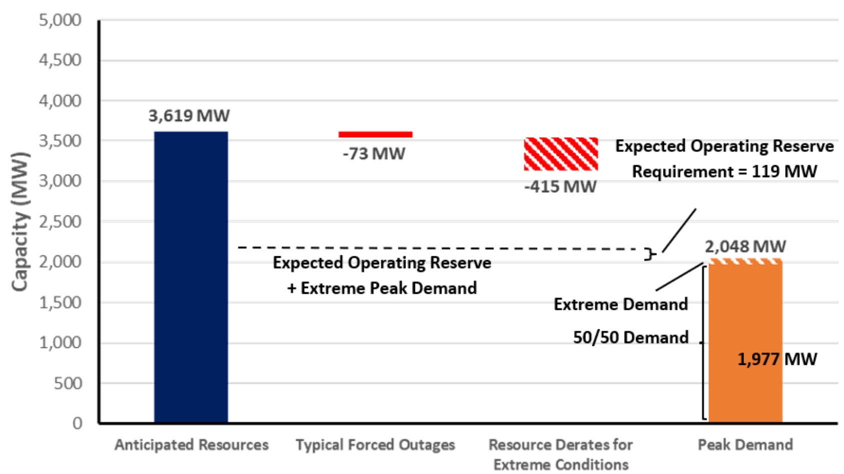
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



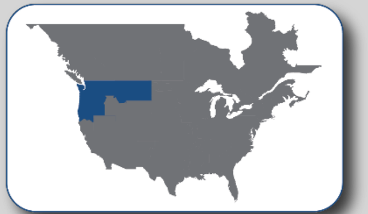
Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy 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.*

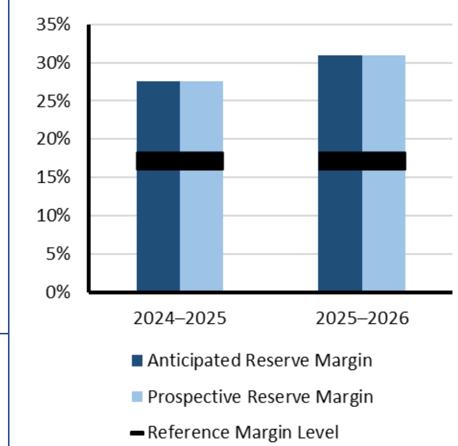
Highlights

- 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.

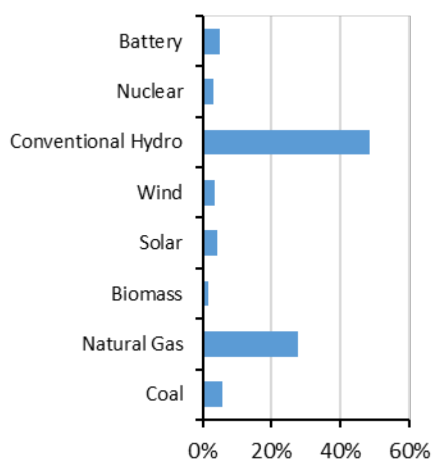
Risk Scenario Summary

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.

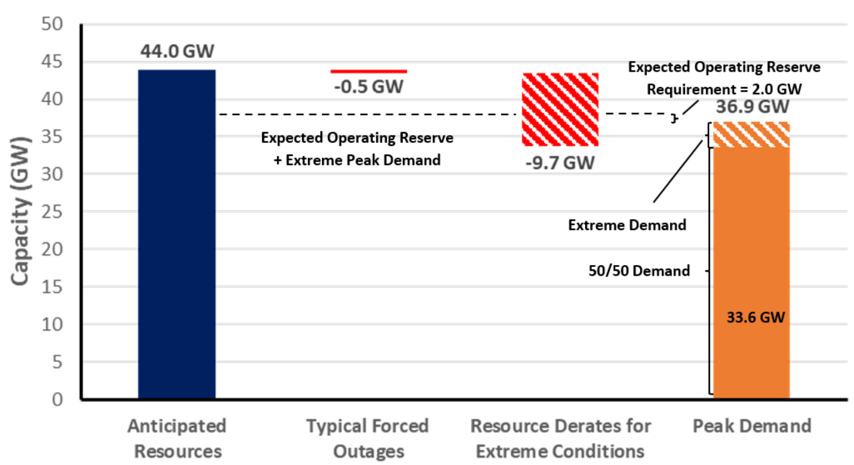
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



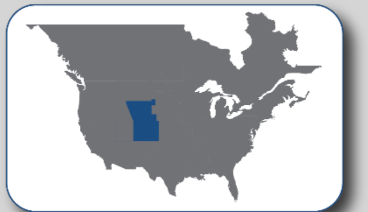
Scenario Description (See Data Concepts and Assumptions)

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.



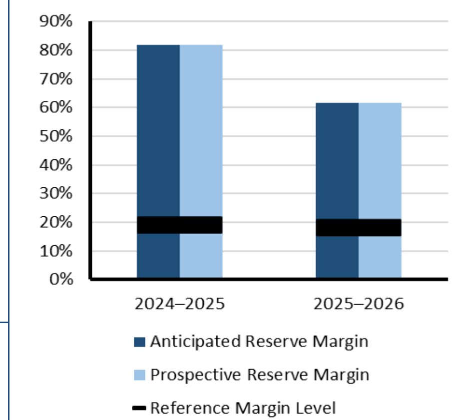
WECC-Rocky Mountain

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.

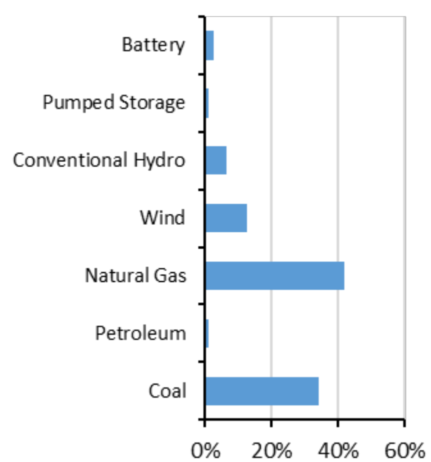
On-Peak Reserve Margin



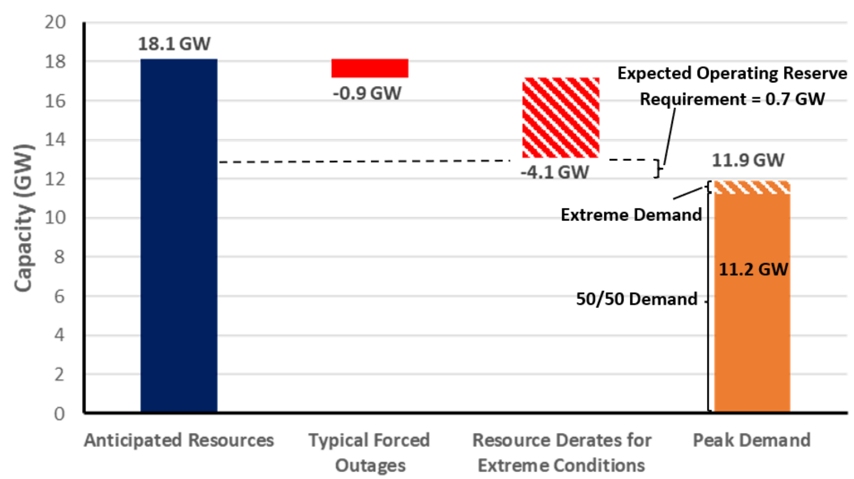
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



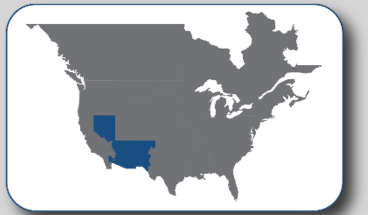
Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy 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.*

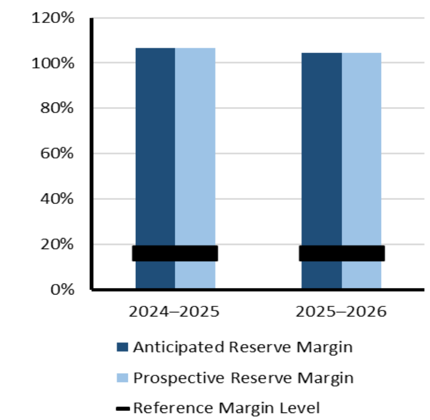
Highlights

- 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.

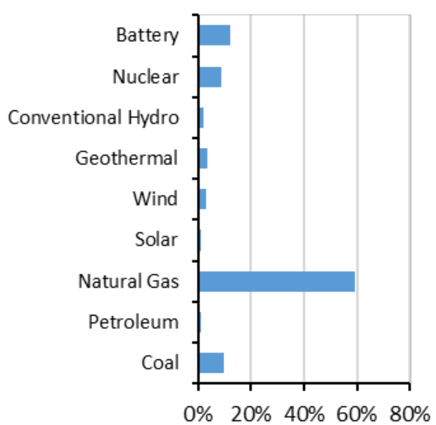
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

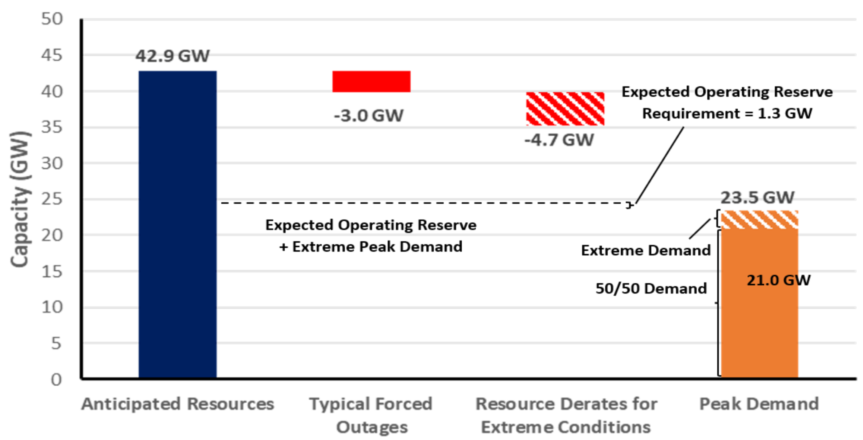
On-Peak Reserve Margin



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.

[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**.

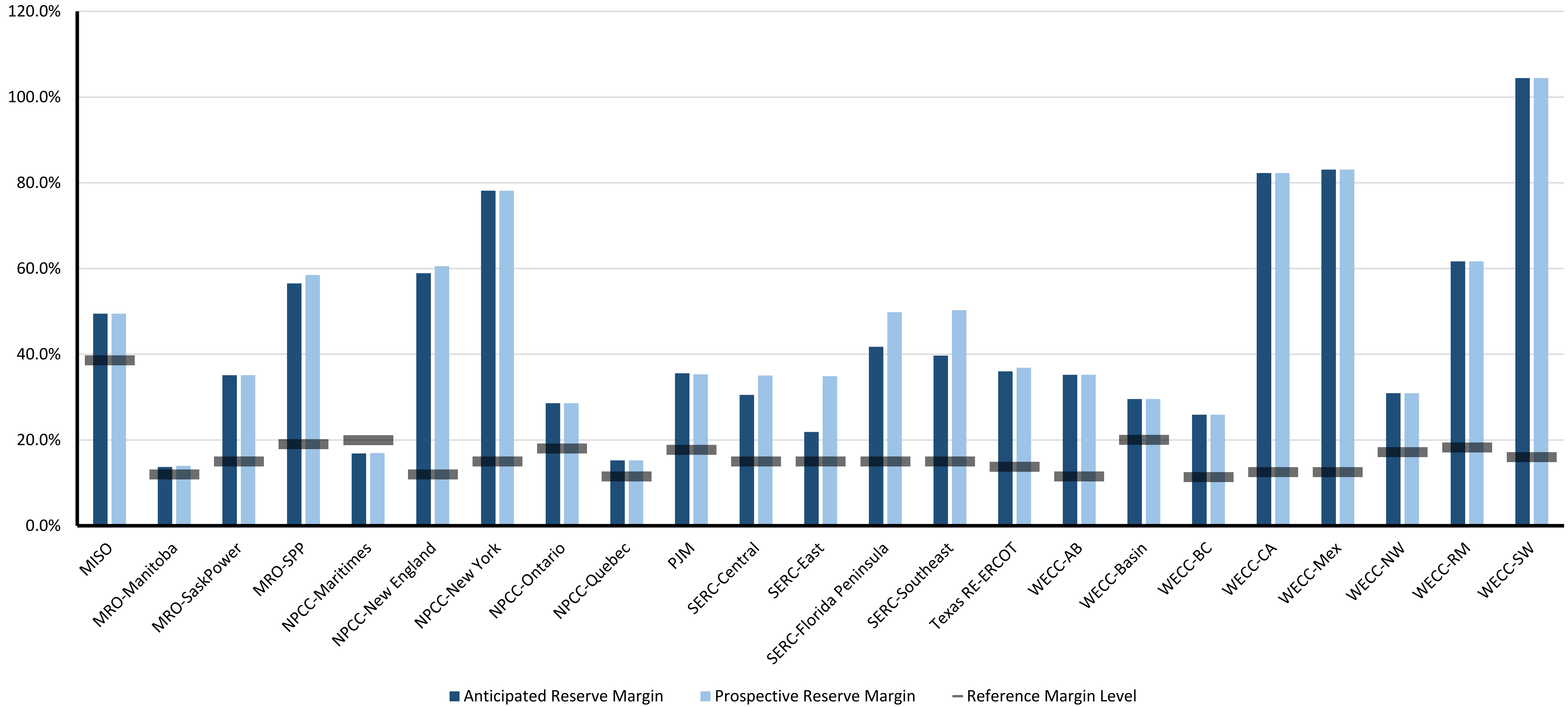


Figure 4: Winter 2025–2026 Anticipated/Prospective Reserve Margins Compared to Reference Margin Level

[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.

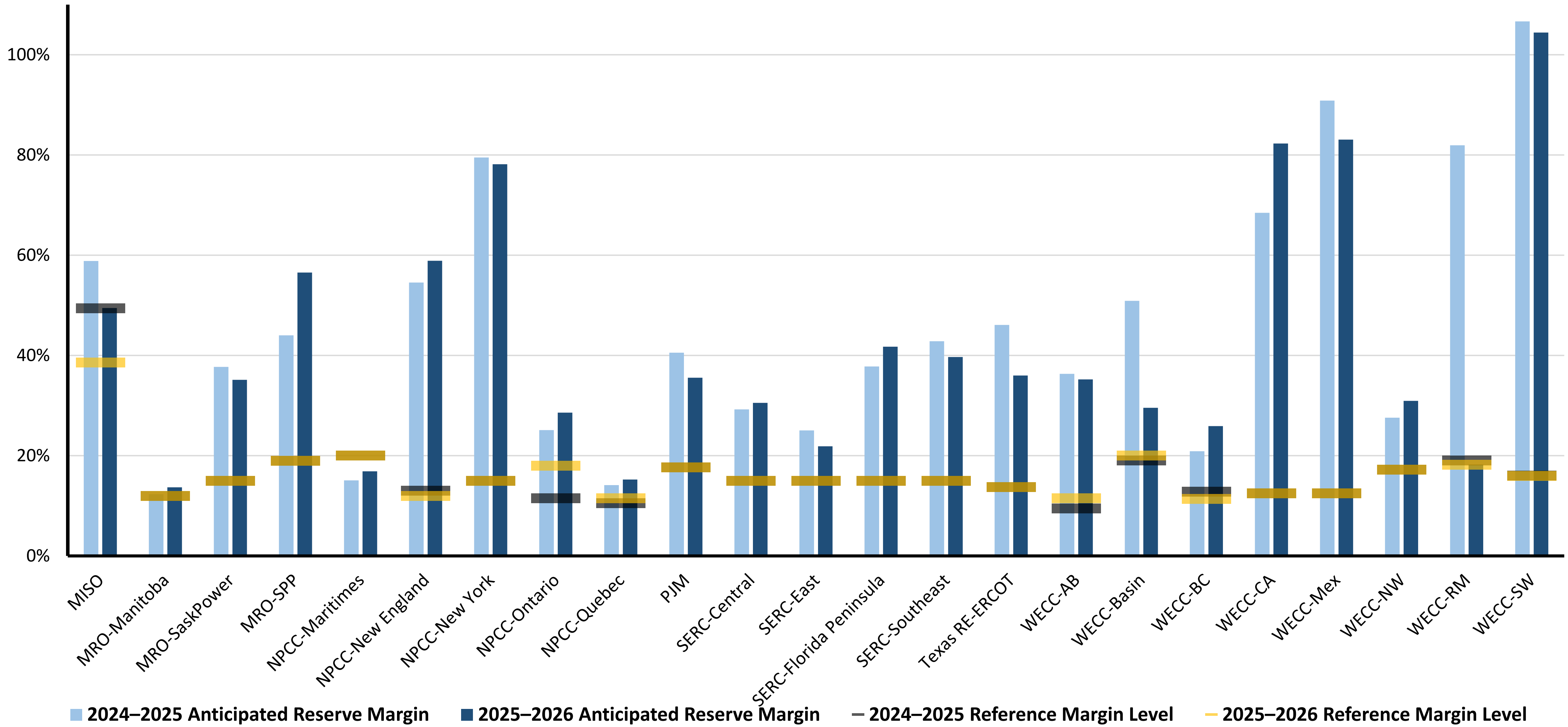


Figure 5: Winter 2024–2025 and Winter 2025–2026 Anticipated Reserve Margins Year-to-Year Change

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

[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 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-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-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

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-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

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.

[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] 90,405[5]	79,960	-191	9,397	15,697	1,586	15	5,742
WECC-AB	Dec. 18	17:00	12,241	12,280 12,635	12,711	-470	3,175	1,867	4	0	*
WECC-BC	Feb 3	18:00	11,359	11,996 12,749	11,415	44	70	279	0	0	839
WECC-CA/MX	Dec. 12	15:00	35,555	35,359 36,823	31,925	-4,669	4,021	569	11,547	0	1,627
WECC-NW	Feb. 12	08:00	54,278	58,001 62,230	48,437	-920	2,607	7,876	1,494	2,198	3,281
WECC-SW	Feb. 13	16:00	22,969	16,177 17,777	25,087	2,117	2,741	1,065	1,599	182	1,496
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

EXHIBIT 3

Resource Adequacy and the Energy Transition in the Pacific Northwest: Phase 1 Results

Washington Utilities and Transportation Commission
Washington Department of Commerce

Resource Adequacy Meeting, RCW 19.280.065, Docket UE-210096

September 22, 2025

Lacey, Washington

Arne Olson, Sr. Partner

Aaron Burdick, Director

Charles Li, Sr. Managing Consultant

Bill Wheatle, Managing Consultant

Pedro de Vasconcellos Oporto, Sr. Consultant

Hugh Somerset, Sr. Consultant

Energy+Environmental Economics

Overview of Phase 1

E3 was retained by regional utilities and generation owners to evaluate the state of resource adequacy in the Pacific Northwest today and into the future. Key findings of Phase 1:

1. **Accelerated load growth and continued retirements create a resource gap beginning in 2026 and growing to *9 GW by 2030***
   - 9 GW is approximately the load of the state of Oregon
2. **Preferred resources such as wind, solar and batteries make only *small contributions* to meeting resource adequacy needs**
3. ***Timely development of all resources is extremely challenging* due to permitting and interconnection delays, federal policy headwinds, and cost pressures**

STUDY SPONSORS

- Puget Sound Energy
- Public Generating Pool
  - Chelan Public Utility District
  - Clark Public Utility District
  - Cowlitz Public Utility District
  - Eugene Water & Electric Board
  - Grant Public Utility District
  - Lewis Public Utility District
  - Seattle City Light
  - Snohomish Public Utility District
  - Tacoma Power
- Avista Corporation
- Benton Public Utility District
- Douglas Public Utility District
- Emerald People's Utility District
- Franklin Public Utility District
- Idaho Power
- Klickitat Public Utility District
- Mason Public Utility District No. 3
- Northwest & Intermountain Power Producers Coalition
- NorthWestern Energy
- Okanogan Public Utility District
- Pacific Public Utility District
- Portland General Electric

Who is E3?

Our Practice Areas

+ E3 is the largest consulting firm focused on the clean energy transition in North America
+ E3 is a recognized thought leader on decarbonization and clean energy transition topics
+ E3 has three major practice areas covering energy systems from bulk grid to behind the meter

Climate Pathways / Policy Analysis

- Climate and energy policy analysis
- Long-term energy & climate scenarios
- Electrification and low-carbon fuels
- Future of gas

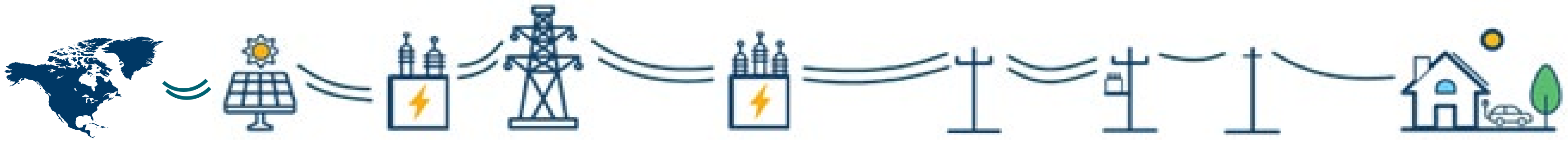
Asset Valuation & Strategy

- Asset valuation and due diligence
- Strategic advisory
- Energy market price forecasting
- Market design
- Transmission planning

Integrated System Planning

- Integrated resource planning for electric systems: reliability and resource mix
- Planning for utility and state RPS + GHG targets
- Utility planning and procurement decisions

Economy-wide energy systems — Bulk grid power systems — Grid edge & behind-the-meter



E3 has extensive experience planning for deeply-decarbonized power systems for a wide range of clients

+ State agencies

- **California:** E3 provides technical support and advisory services to the CPUC in administration of the state's IRP program, to CARB in implementation of AB32 "cap-and-trade" program, and to the CEC on a variety of research topics including compliance with SB100
- **New York State Climate Act Scoping Plan:** E3 supports NYSERDA with technical analysis of pathways to achieve economy-wide carbon neutrality by 2050 including 100x40 in the power sector
- **Illinois:** E3 supports the Illinois Power Authority and Commerce Commission on a variety of topics including resource adequacy, procurement, and renewable energy transmission studies
- **Massachusetts Department of Energy Resources:** Evaluating the benefits of long-duration energy storage and other topics

+ Utilities

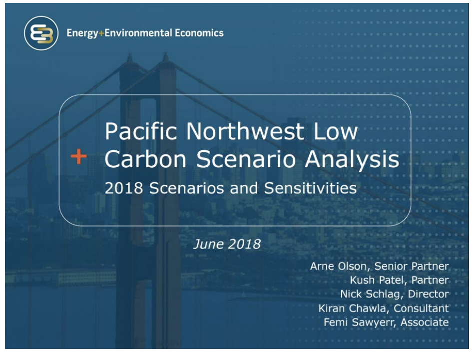
- **E3 has provided IRP support to dozens of utilities** including Puget Sound Energy, Eugene Water and Electric Board, Sacramento Municipal Utilities District, Arizona Public Service, Salt River Project, NV Energy, Public Service Company of New Mexico, El Paso Electric, Xcel Energy, Black Hills Energy, Hawaiian Electric Company, Omaha Public Power District, Florida Power & Light, Tampa Electric Company, Nova Scotia Power, New Brunswick Power, and others

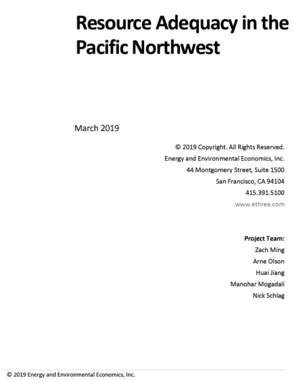
+ Non-profits

- E3 has advised **environmental advocacy organizations** including the Natural Resources Defense Council, Environmental Defense Fund, The Nature Conservancy, Clean Air Task Force, EarthJustice, World Resources Institute, Climate Solutions, and others

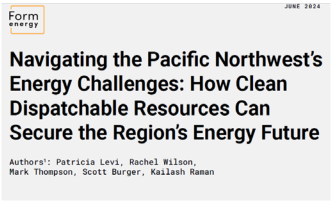
Resource Adequacy and the Energy Transition: Project Background

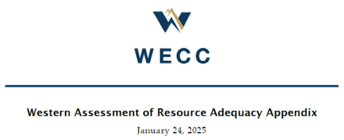
Prior E3 Studies in the Pacific Northwest

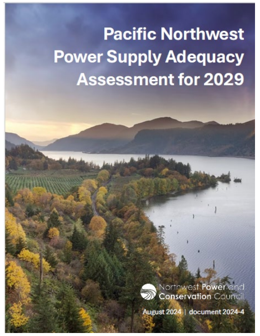


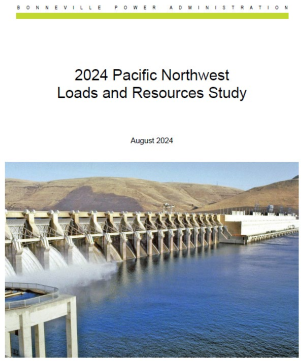


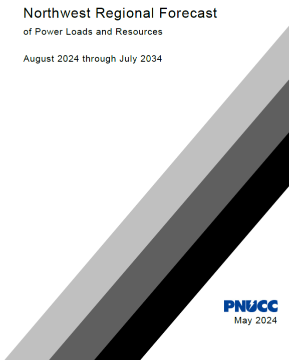
Recent PNW Regional Studies and Forecasts











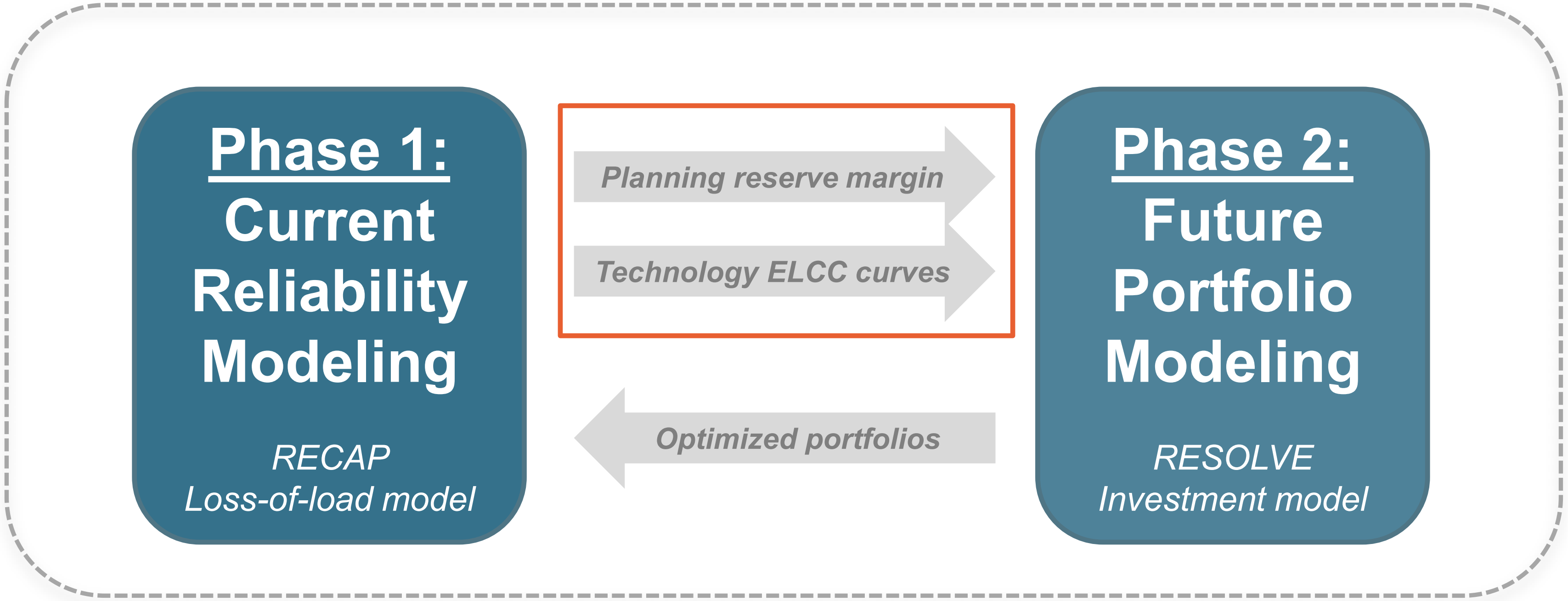
+ **Prior E3 studies found that the Pacific Northwest faces *<u>immediate and growing</u>* resource adequacy challenges**

+ **Much has happened over the past six years that might change the regional resource adequacy picture**

+ **Current study objectives:**
  - Evaluate current load-resource balance
  - Examine the role of various technologies including flexible loads and firm generation for ensuring reliability
  - Identify potential barriers that may prevent the region from meeting its goals in the future

Study uses a two-phased modeling approach

+ **The modeling approach pairs detailed loss-of-load-probability modeling with capacity expansion modeling to provide a robust perspective on system reliability and cost under aggressive clean energy targets**

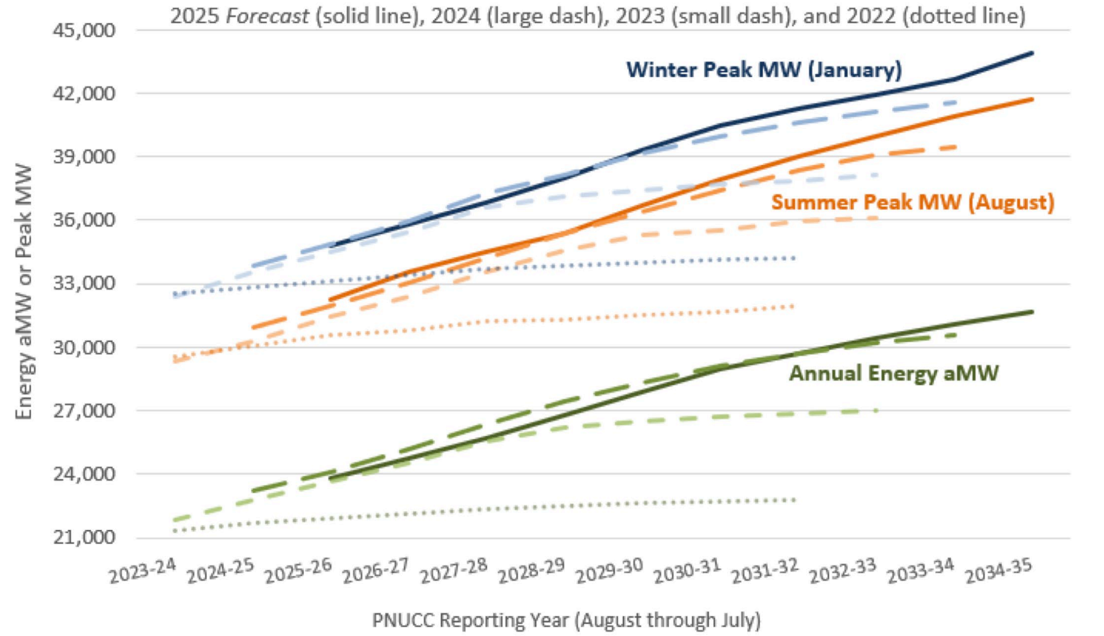


Key Study Topics:

1. Near-term resource adequacy picture
2. Barriers to new resource development
3. How to maintain long-term resource adequacy on a transitioning grid
4. Potential role for DSM and emerging "clean firm" resources
5. Stranding risk for near-term capacity resources

Regional load forecasts continue to increase due to AC adoption, electric vehicles, and data centers

PNUCC 2025 Northwest Regional Forecast
Energy aMW or Peak MW Forecast



Growth Rates

Energy	10 year
2025 Forecast	3.2%
2024 Forecast	3.1%
2023 Forecast	2.4%
2022 Forecast	0.9%

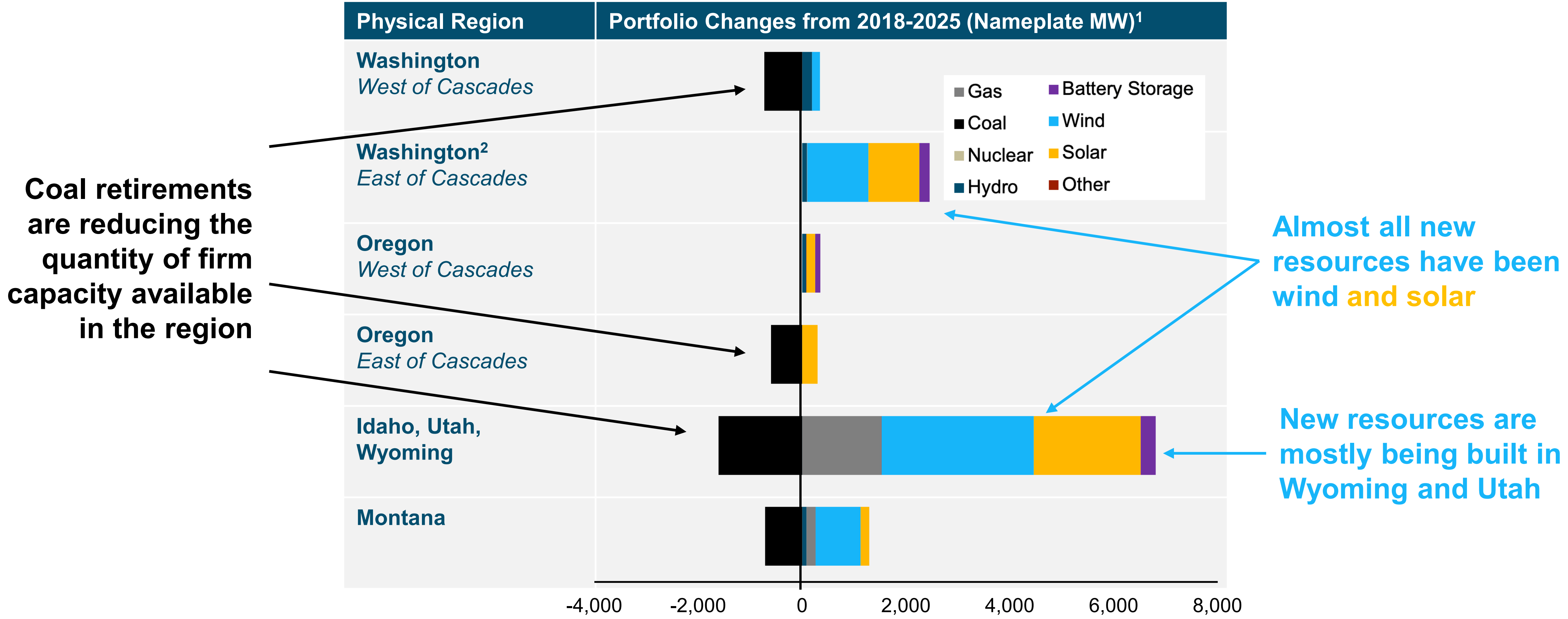
Summer Peak	10 year
2025 Forecast	2.9%
2024 Forecast	2.7%
2023 Forecast	2.3%
2022 Forecast	1.0%

Winter Peak	10 year
2025 Forecast	2.6%
2024 Forecast	2.3%
2023 Forecast	1.8%
2022 Forecast	0.7%

+ **Load growth acceleration is attributable to multiple distinct drivers, despite impact of energy efficiency**

Driver	Near-term Impact
Economywide **energy efficiency**	Small load reductions in both seasons
Higher-than-expected **air conditioning adoption** after recent heat waves	Small-medium peak load growth in the summer
Policy-driven **electric vehicle adoption**	Medium peak load growth in both seasons
Population growth and new building construction	Medium peak load growth in both seasons
Anticipated **data center** interconnection	Large average and peak load growth in both seasons

New resource additions have been slow, and located primarily outside of Washington and Oregon



1. Based on WECC 2034 ADS and recent retirements)

The Greater Northwest faces a supply deficit in 2026 which grows to 8,700 MW by 2030

+ **Load growth and retirements mean the region faces a power supply shortfall in 2026**
  - The region currently relies on imports to maintain reliability
+ **Nearly 9,000 MW of new capacity is needed by 2030**
+ **Projects currently in active development account for only 3,000 MW of new capacity**
  - 850 MW are coal-to-gas conversions
  - 260 MW are hydro upgrades

Greater Northwest
Total Resource Need and Effective Capacity Contribution from Planned Resources (MW)

** Total Resource Need includes peak load + planning reserve margin as well as obligation to serve the Columbia River Treaty Regime*

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Greater Northwest
Total Resource Need and Effective Capacity Contribution from Planned Resources (MW)

System Needs (MW)	2025	2026	2027	2028	2029	2030
Total Resource Need*	49,245	50,737	52,499	54,184	55,879	57,195
Existing Portfolio w/ Retirements	46,716	45,666	45,395	45,388	45,098	44,757
Firm Imports	3,750	3,750	3,750	3,750	3,750	3,750
Reliability Position Surplus (+) / Shortfall (-)	**+1,221**	**-1,321**	**-3,354**	**-5,046**	**-7,031**	**-8,689**
ELCC from "In-Development" Firm Resources	-	296	407	580	770	1,114
ELCC from "In-Development" Wind, Solar and Battery projects	-	645	1,015	1,316	1,508	1,934

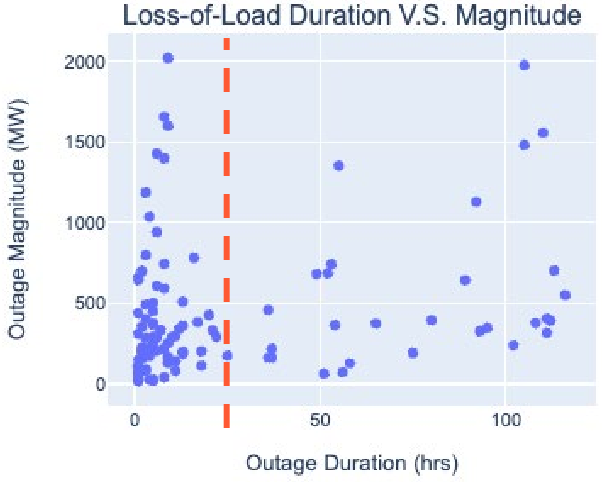
** Total Resource Need includes peak load + planning reserve margin as well as obligation to serve the Columbia River Treaty Regime*

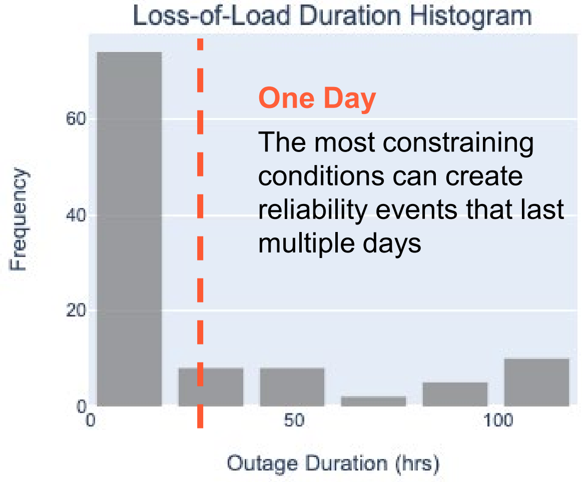
The most constraining reliability conditions are extended wintertime cold weather events during very low water years

- Most loss-of-load events occurring during the coldest winter months
- Many events exceed 50 hours in duration with some exceeding 100 hours due to energy shortfalls in dry years

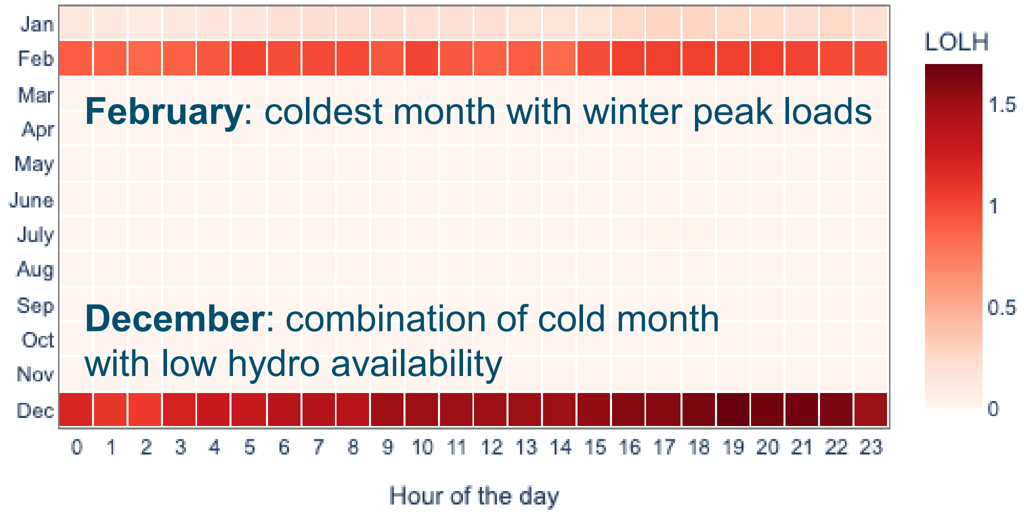
Greater Northwest, tuned to 1-day-in-10-year standard

Distribution of Loss-of-Load Events across over 2,500 years of simulated load, hydro, and renewable conditions





Average Loss-of-Load Hours (LOLH) by Month x Hour*



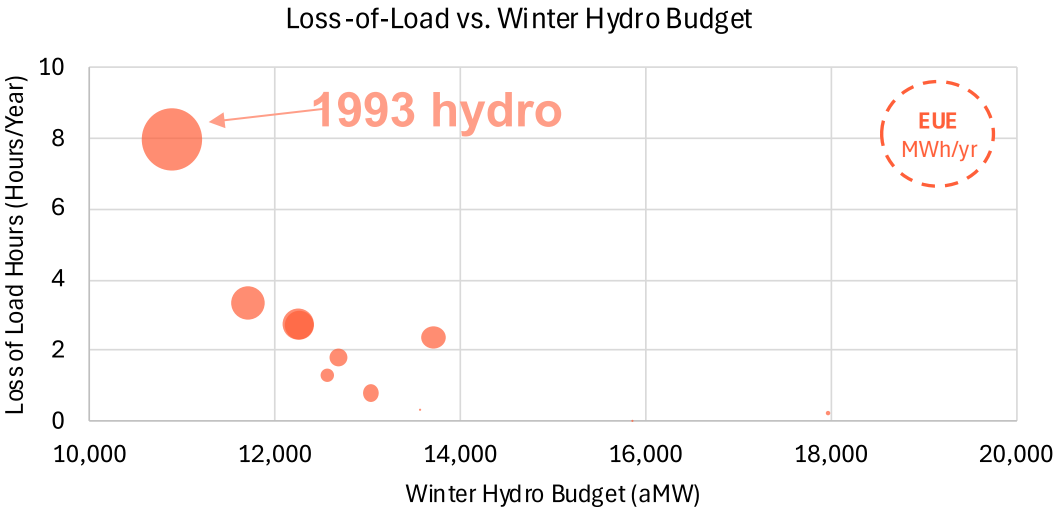
* Metrics + heatmap shown without firm imports

Addressing these events requires resources that can deliver energy over long periods of time

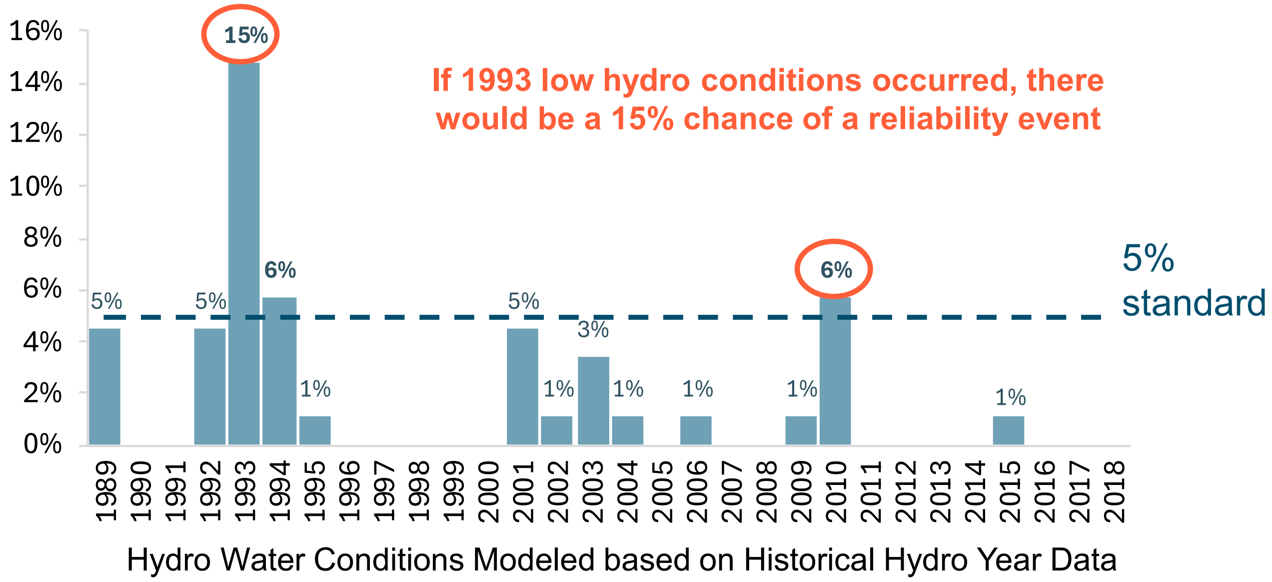
Energy shortfalls that occur during low hydro years contribute significantly to resource adequacy events

- Loss of load events are concentrated during the lowest hydro years (1989, 1990, 1992, 1993, 1994, 2001, 2010)
- January 2024 conditions were consistent with the very low hydro years simulated here

2025 Average Loss-of-Load Hours (LOLH) and Expected Unserved Energy (EUE) by Hydro Year



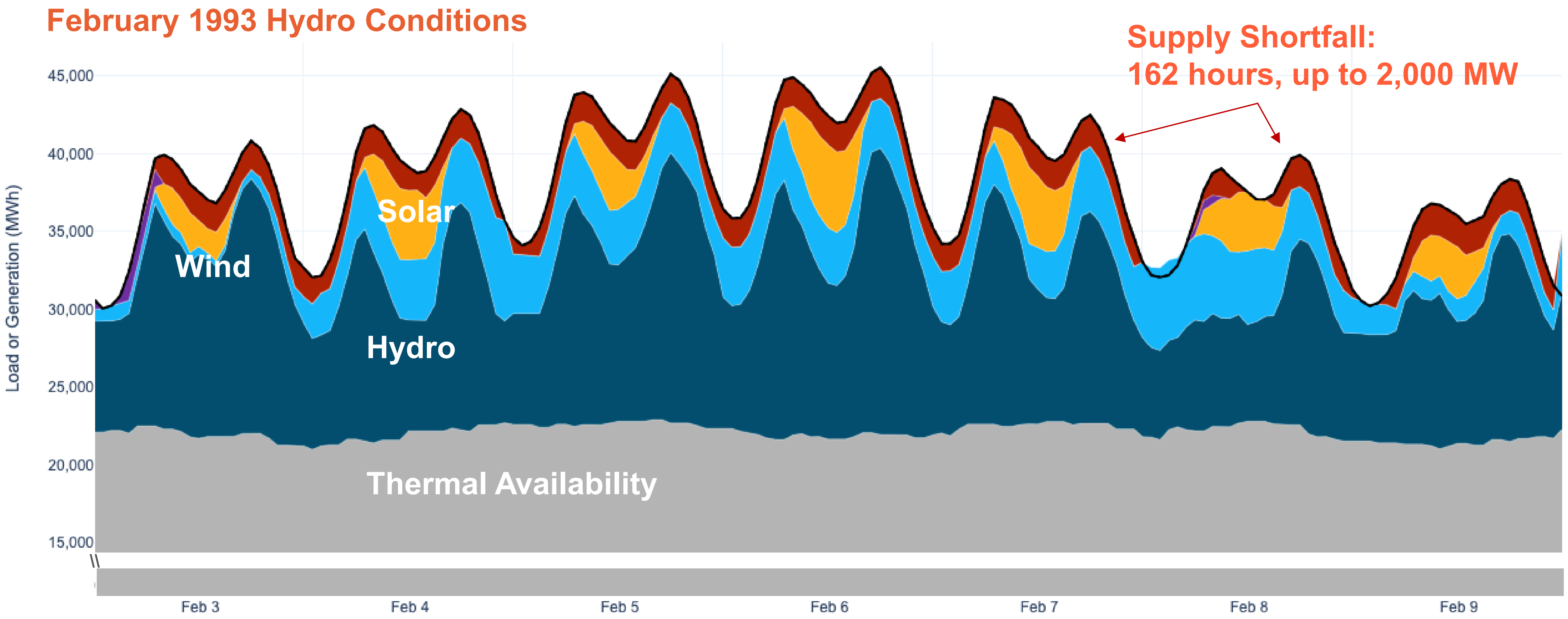
2025 Loss-of-Load Probability (LOLP) by Hydro Year



Analysis used BPA hydro simulations for 30-year period from 1989-2018

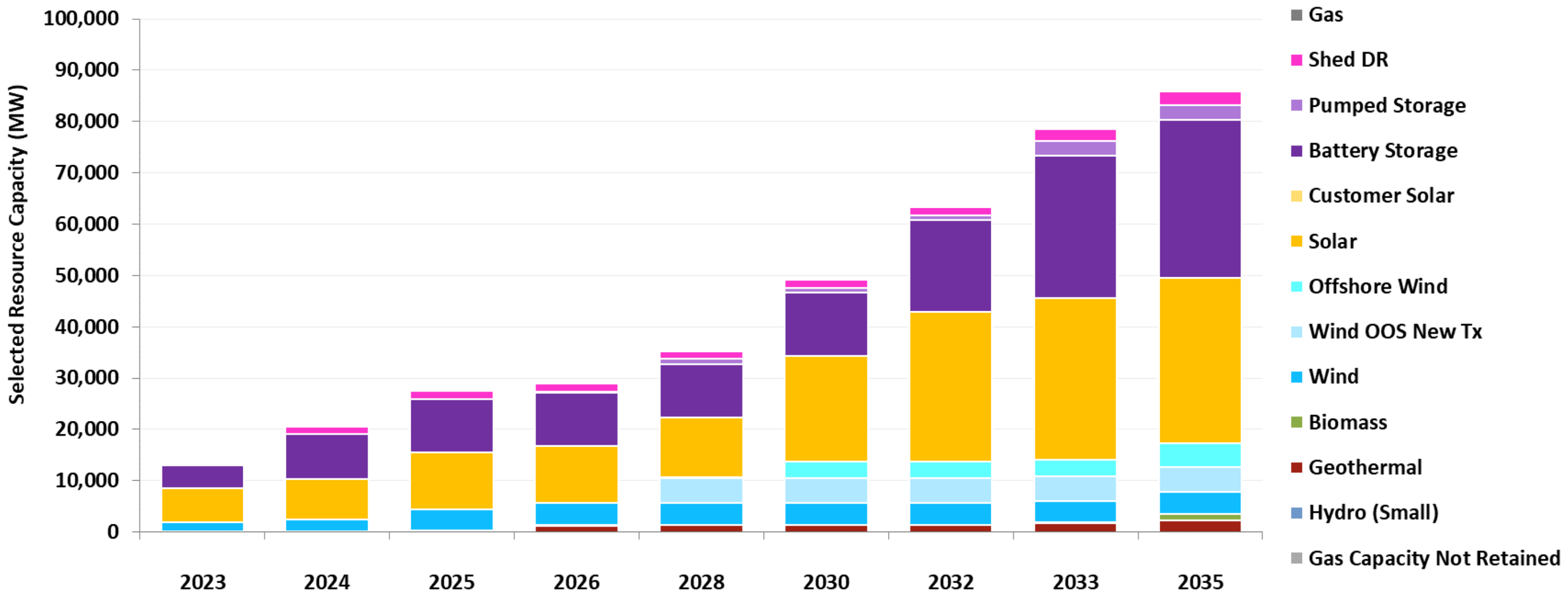
Resource availability example: February 2014 load conditions combined with 1993 hydro conditions

Greater Northwest 2025, RECAP simulated energy-limited event

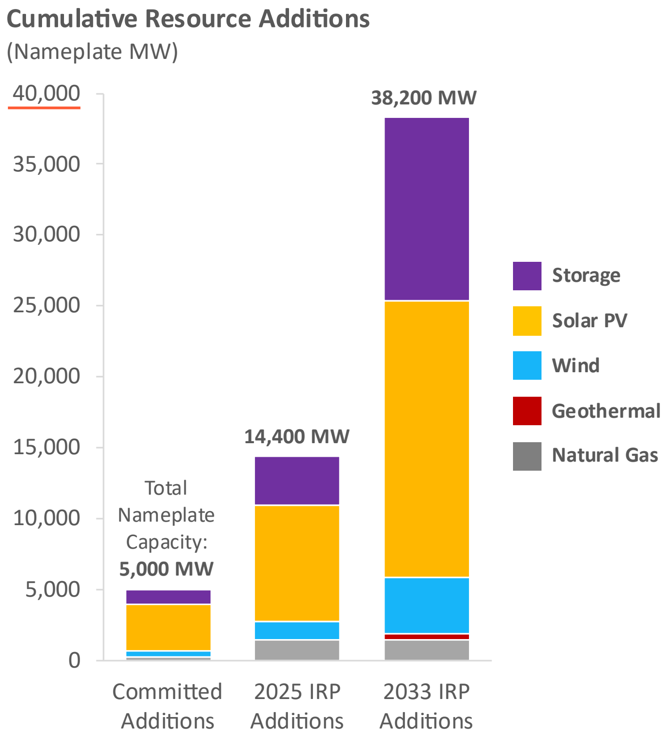


Regional comparison: solar and batteries provide high capacity value in summer-peaking regions like the Southwest

California is planning to build 50 GW of solar and storage resources by 2035 and 100 GW by 2040 (on top of 50 GW installed in 2025)

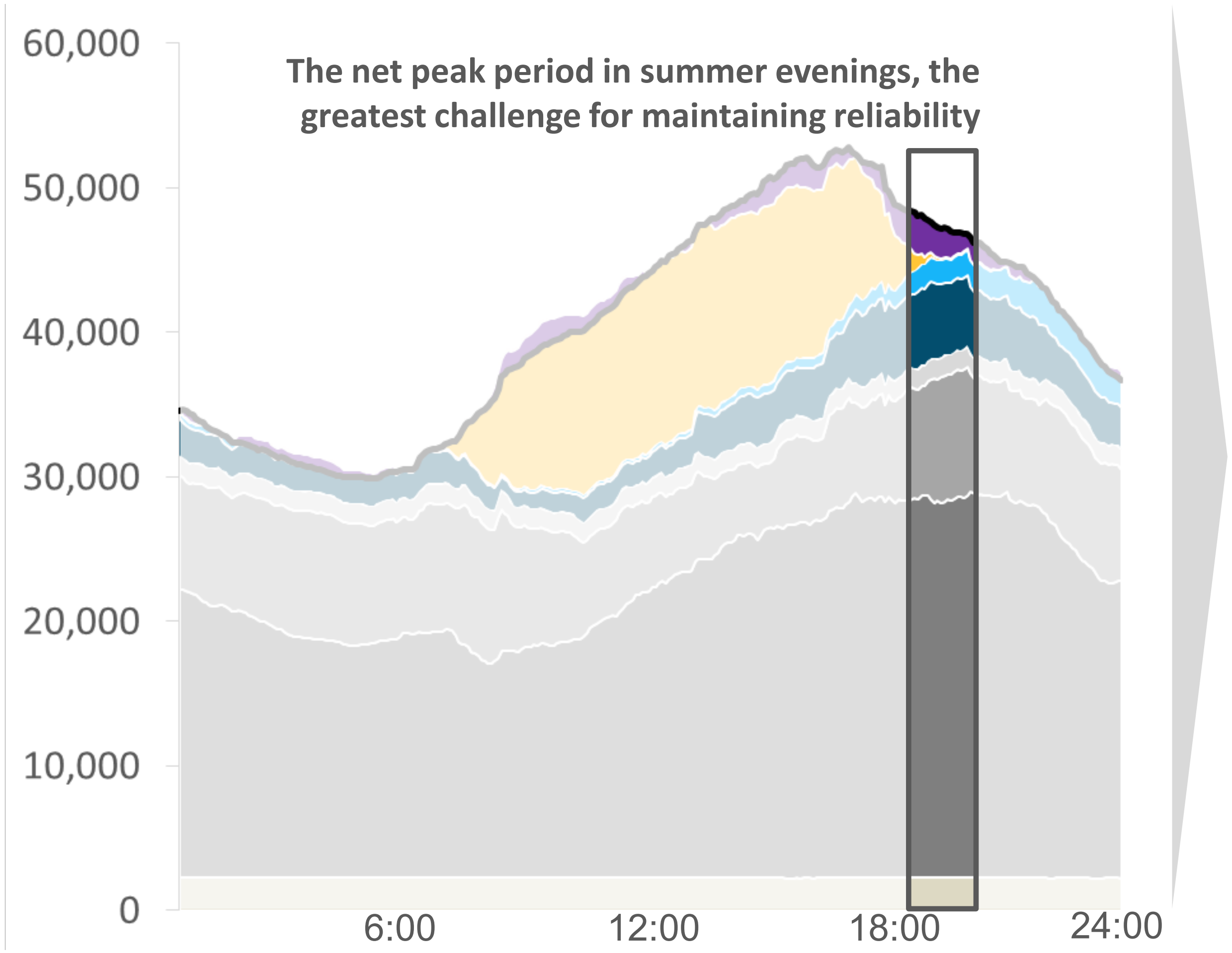


Desert Southwest is planning to build 30 GW of solar and storage resources through 2033

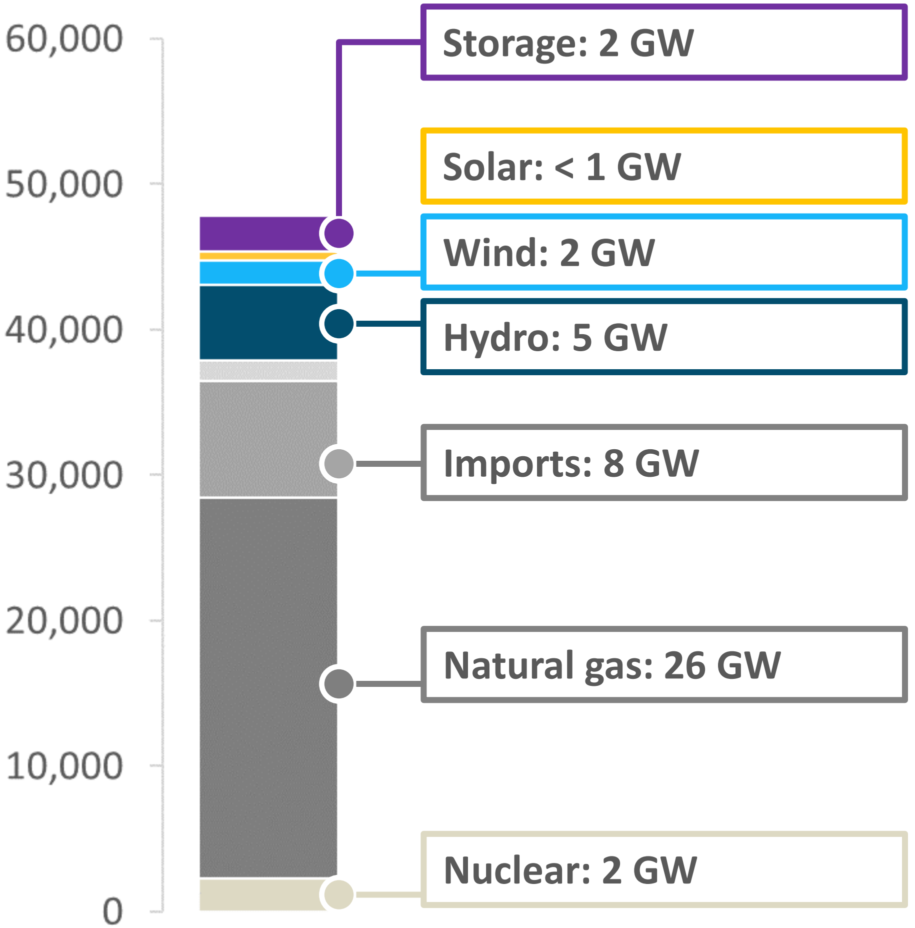


Regional comparison: California's most recent near reliability event was during a historic heatwave in September 2022

CAISO System Operations on September 6, 2022
(MW)

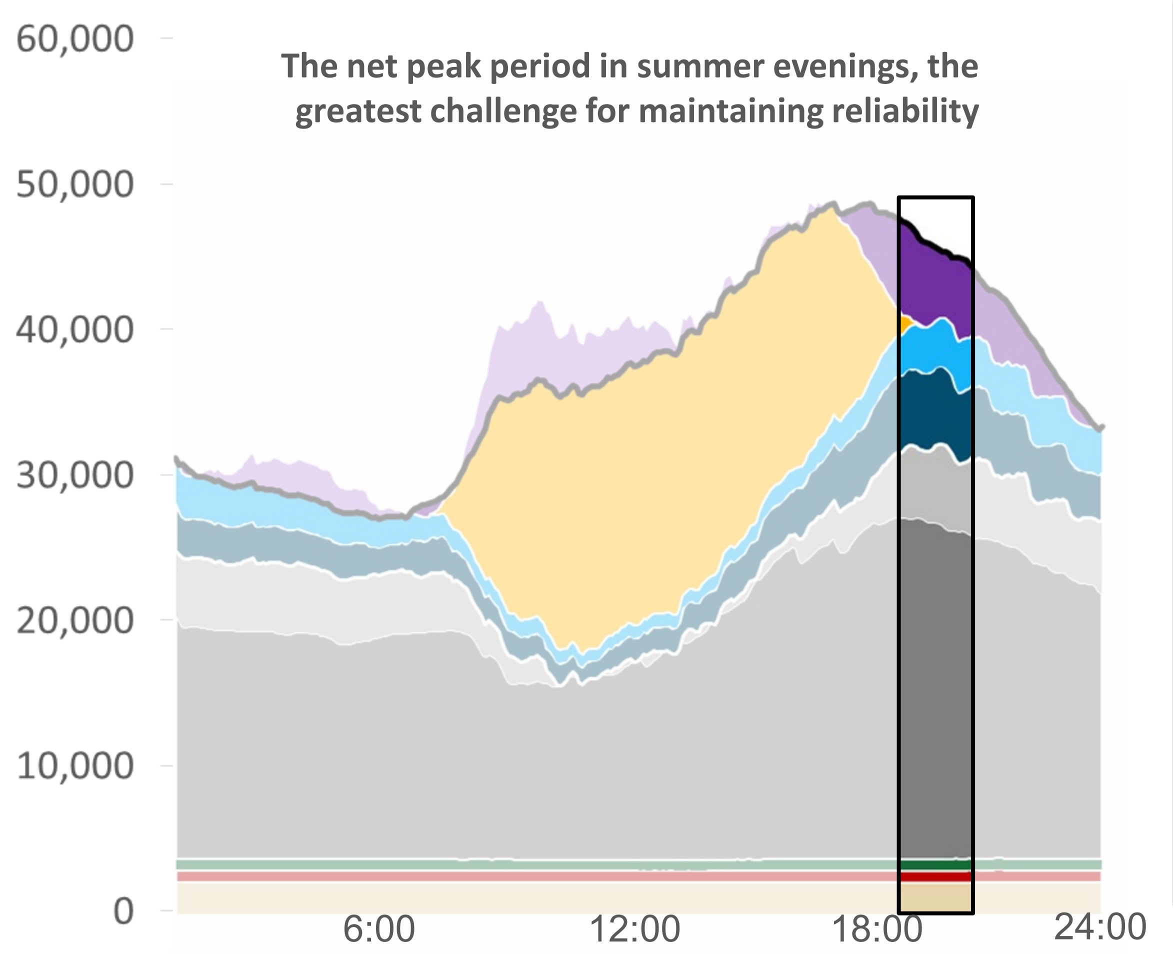


Generation During Hour of Highest Net Load
(MW)

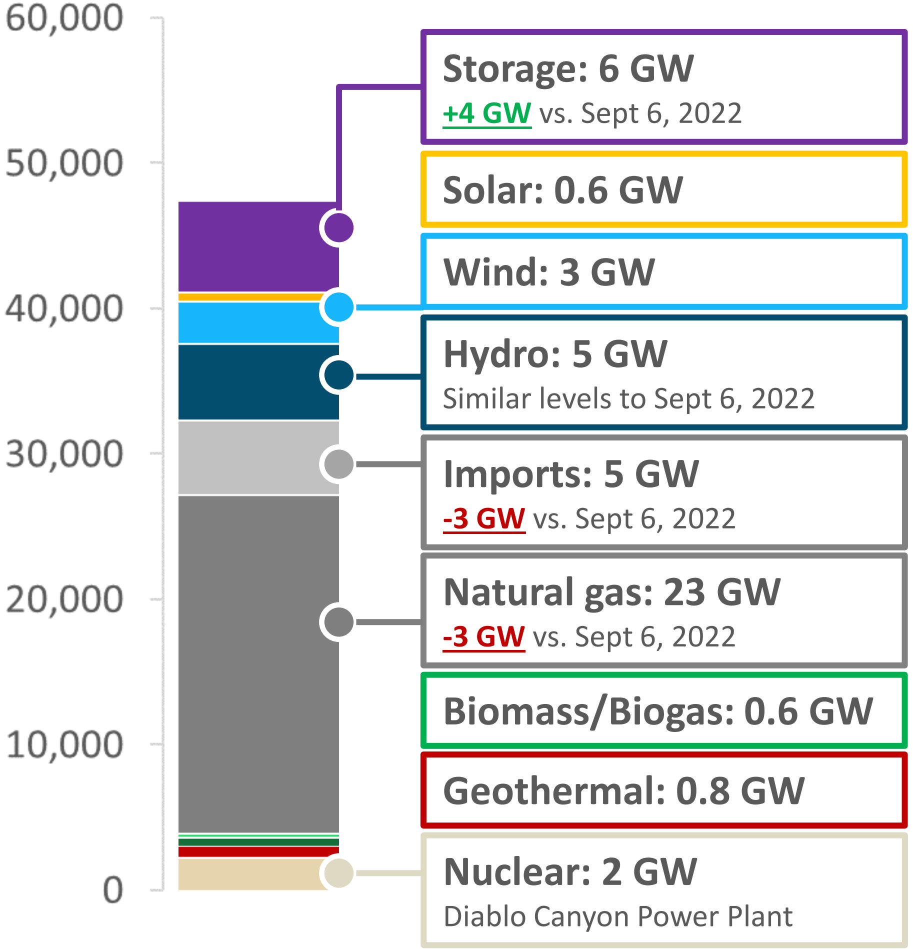


Regional comparison: Significant additions of batteries helped make the next September heatwave in 2024 a non-event

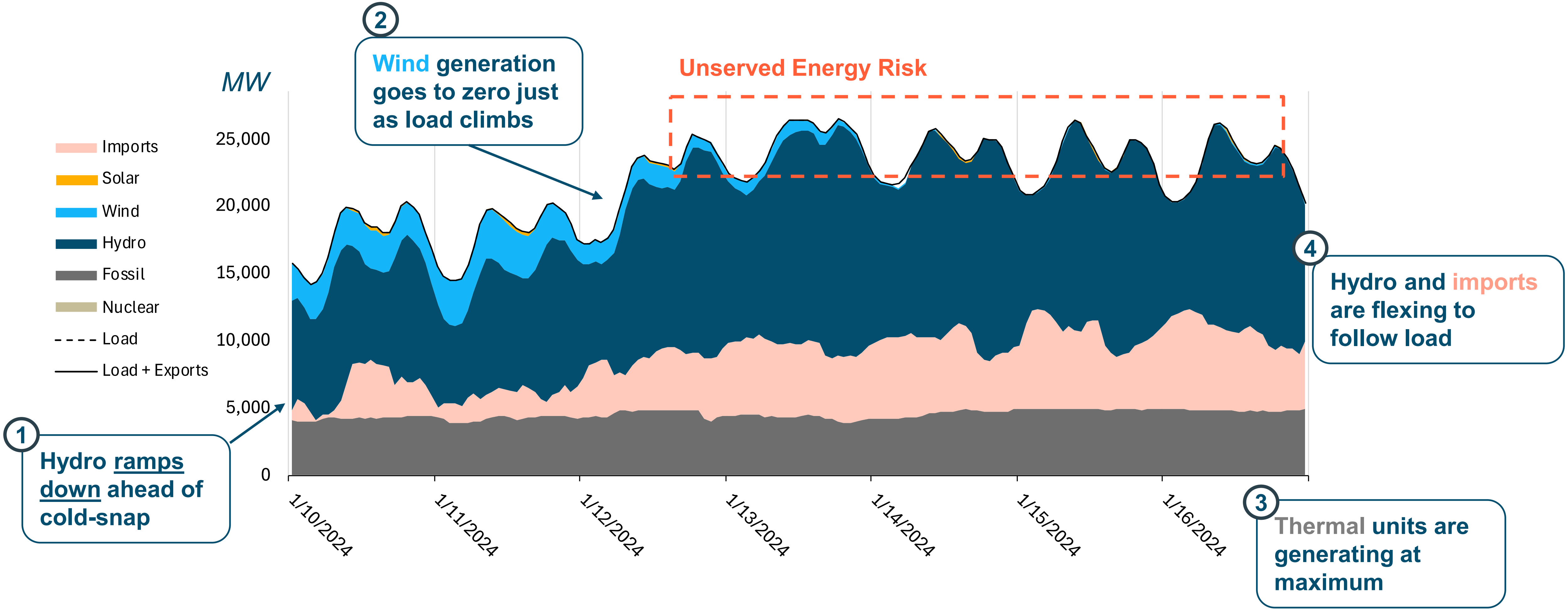
CAISO System Operations on September 5, 2024
(MW)



Generation During Hour of Highest Net Load
(MW)



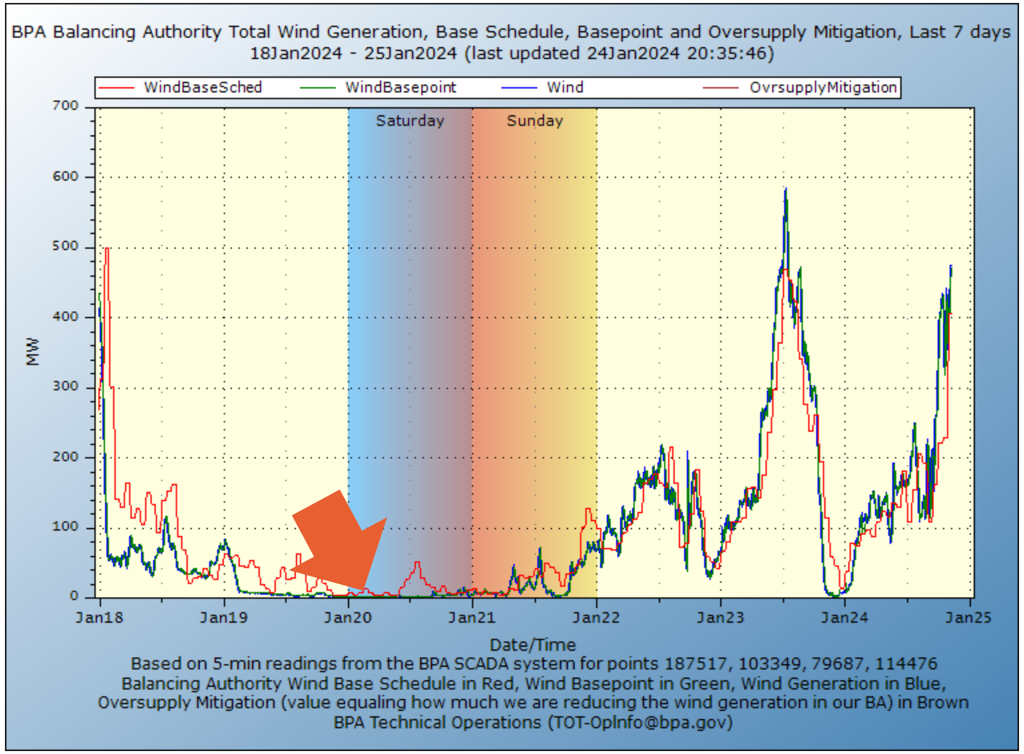
Regional comparison: The Northwest's most recent near reliability event was the multi-day January 2024 cold snap



Source: EIA, BPA

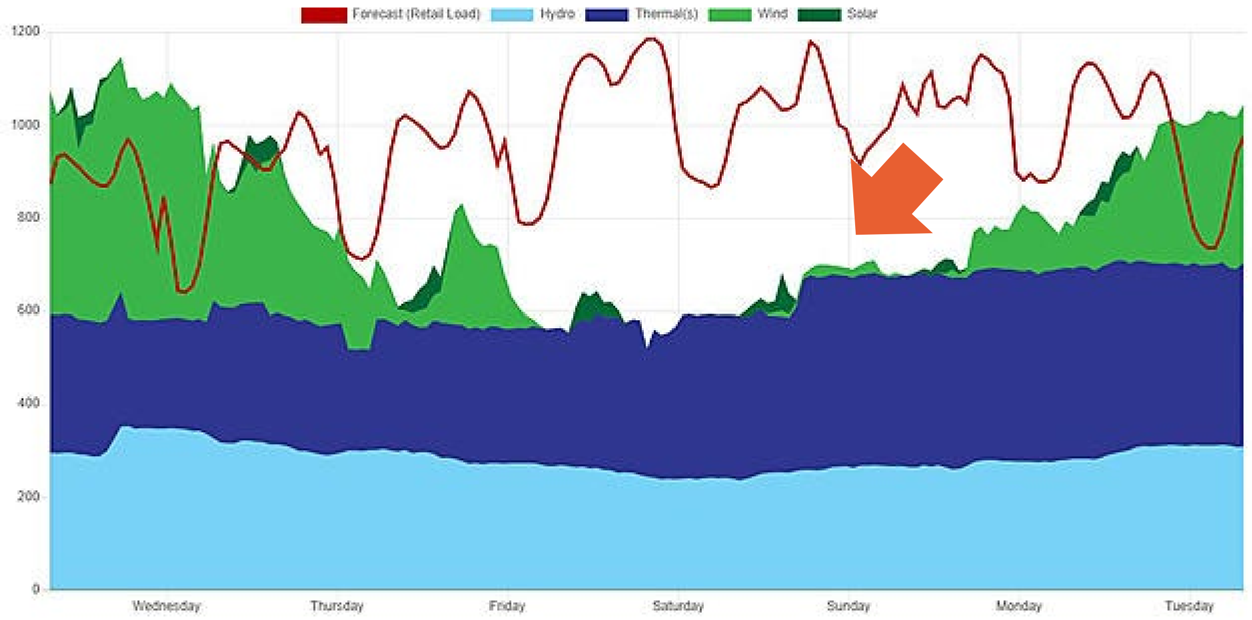
Northwest wind produced at very low levels during most of the January 2024 cold weather event

BPA: Almost no wind production on January 15-17 and 19-21



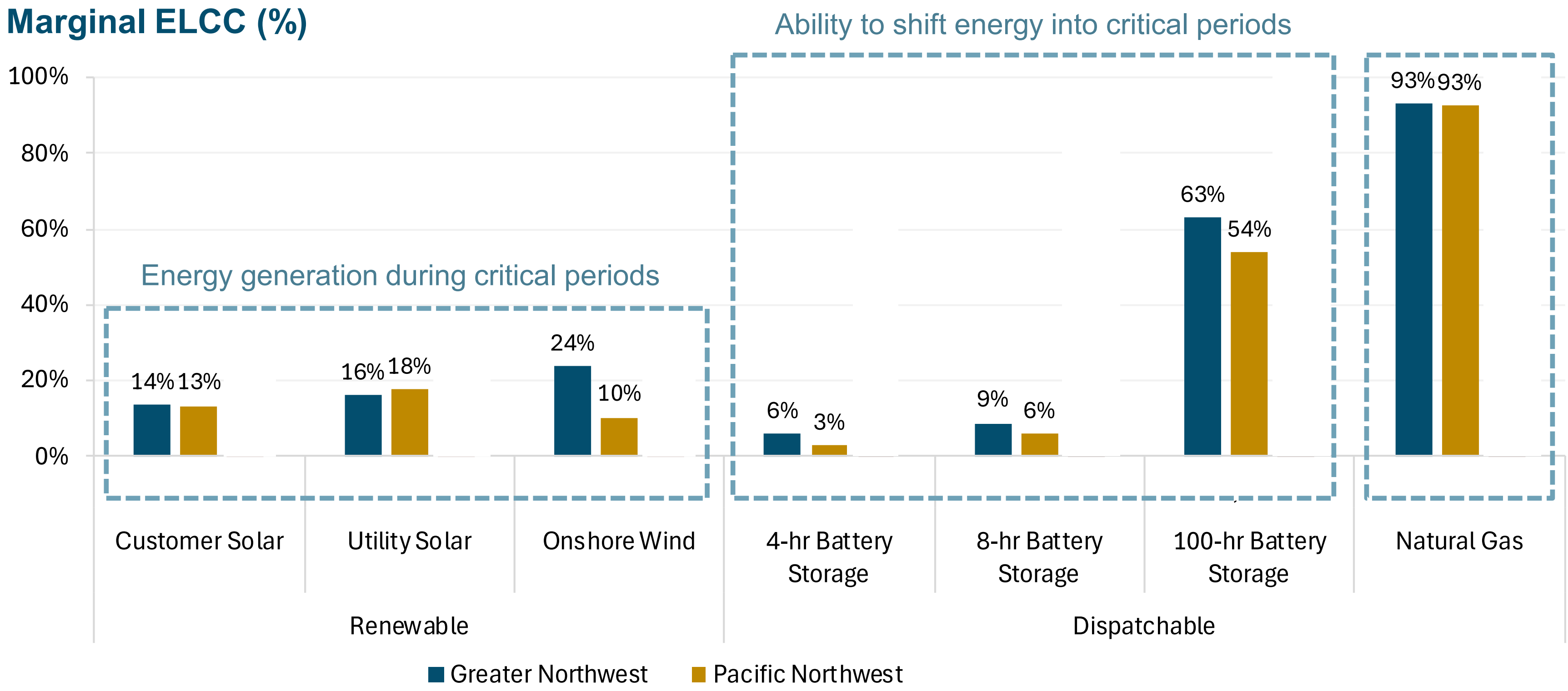
Average Jan 13: **567 MW**
Average Jan 15 5:00 AM – Jan 17 10:00 AM: **8 MW**

NorthWestern Energy: Almost no wind production on January 12-14



Low temperature records set on January 13 in Portland (12 degrees) and Seattle (16 degrees)

Resource reliability value depends on ability to supply energy during multi-day cold snaps under low hydro conditions



These annual marginal ELCC values represent the ability of a marginal resource addition to reduce region-wide reliability risk relative to a firm, always available generator. For these 2025 values, ELCCs are primarily a function of output during the wintertime multi-day energy-constrained events that define risk for the Greater NW and the PNW subregion.

+ **Solar and wind have low capacity factor during reliability events → 10-24% of nameplate**
+ **Short-duration energy storage cannot charge during most energy-constrained events → 3-9%**
+ **Natural gas plants with firm fuel can run when needed → 93%**

Energy storage and flexible loads can be valuable if matched to the duration of the reliability event

+ **Short-duration storage and demand response solutions do not have high reliability value**
+ **Multi-day response is valuable but more difficult to source**

	Duration (hours)	# of Calls per year	2030 Marginal ELCC
Energy Storage	4		6%
	8		9%
	100		**63%**
Load-shed Demand Response	6	12	18%
	12	10	30%
	24	8	44%
	48	6	**54%**
	72	4	**57%**
	120	2	**61%**

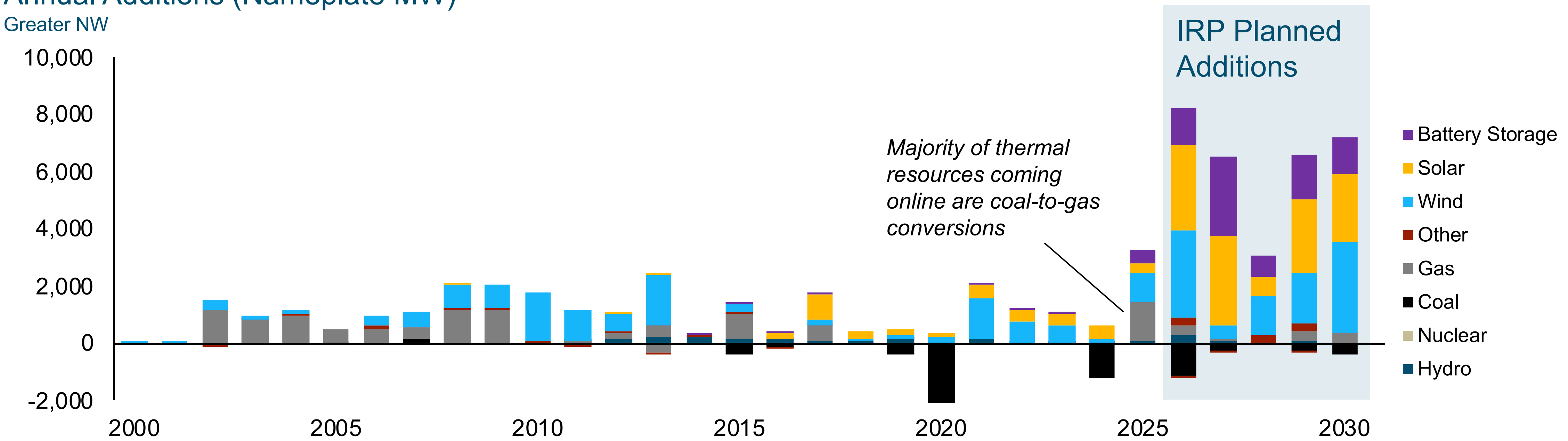
The rate of new resource additions required to meet resource adequacy needs in the next five years is unprecedented

+ Meeting the pace of growth anticipated in utility IRPs would require annual resource additions equal to 4-5x historical levels
+ Project development is currently experiencing significant headwinds due to changes in federal policy and higher costs

Retirements and New Installed Capacity Additions by Year

Annual Additions (Nameplate MW)

Greater NW



Utility + developers identified transmission, accreditation uncertainty, and new firm capacity barriers as key challenges

Key challenge	Findings from stakeholder interviews	Potential Solutions
1. Transmission access faces physical and institutional constraints	• Separate procurement and transmission planning processes leading to chicken-and-egg challenges • Lack of firm transmission rights for new resources • Difficult terrain and siting challenges	• **Improve regional transmission planning and interconnection processes**
2. Uncertain capacity accreditation metrics	• **WRAP is voluntary** and has not yet become binding • **Accreditation metrics are uncertain**	• **Strengthen the WRAP program with fundamentals-based capacity accreditation**
3. Barriers to building new RA capacity	• Utilities are likely to be challenged by the **sheer volume** of new resources in their IRPs • Existing clean resources make limited contributions to resource adequacy and **"clean firm" options are not yet commercially available** • Natural gas is the only viable near-term firm capacity option, yet siting new gas plants is extremely challenging and may create **stranded asset risks**	• **New firm resources may be needed** if they do not set the region back on long-term carbon reduction goals • **"Clean firm" resources may need policy support to** speed commercialization

Key findings of Phase 1:

1. **Accelerated load growth and continued retirements create a resource gap beginning in 2026 and growing to *9 GW by 2030***
   - 9 GW is approximately the load of the state of Oregon
2. **Preferred resources such as wind, solar and batteries make only *small contributions* to meeting resource adequacy needs**
3. ***Timely development of all resources is extremely challenging* due to permitting and interconnection delays, federal policy headwinds, and cost pressures**

Phase 2 will evaluate resource options for meeting near-term and long-term resource adequacy and clean energy needs

	Scenario	RA contributions	Additional considerations
Mature	Solar	Low and declining ELCCs	Variable energy resource
	Onshore wind	Declining ELCCs	Variable energy resource
	Natural gas	Firm	Carbon emitting, requires pipeline infrastructure
	Biomass/biodiesel	Firm	Uncertain fuel availability and cost
	Short-duration storage (4-8 hr li-ion)	Declining ELCCs	ELCC saturation impacted by hydro fleet interactions
	Long duration storage (10-12 hr pumped hydro)	Declining ELCCs	ELCC saturation impacted by hydro fleet interactions
	Geothermal	Limited potential	High cost per kWh and limited PacNW sites
	Energy efficiency	Limited potential vs. cost	Can reduce new load but cannot serve existing load
	Demand response	Declining ELCCs	Duration and use limited
Emerging	Floating offshore wind	Declining ELCCs	High enabling infrastructure costs + long timelines
	Natural gas to H2 retrofits	Firm	High enabling infrastructure costs + long timelines
	New dual fuel gas + H2-ready plants	Firm	High enabling infrastructure costs
	New H2-only plants	Firm	High enabling infrastructure costs + long timelines
	Gas w/ 90-100% carbon capture and storage	Firm	High enabling infrastructure costs + long timelines
	Nuclear small modular reactors	Firm	Uncertain costs + long timelines
	Enhanced geothermal	Firm	Uncertain costs and potential
	Multi-day storage (100 hr)	Slower declining ELCCs	Uncertain costs, high round-trip energy losses
	Direct air capture	n/a	Can offset emitting gas that serves RA needs

Note: emerging technologies face cost uncertainty, unclear commercialization timelines, and/or high enabling infrastructure needs

Thank you!

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EXHIBIT 4

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.

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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).

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.

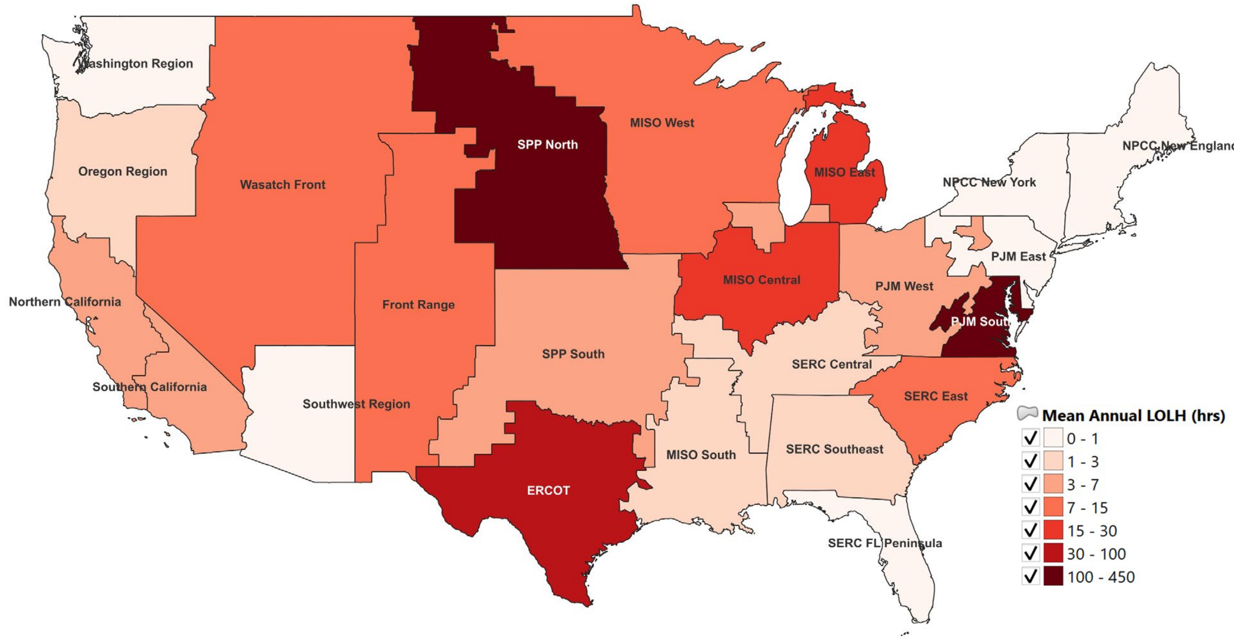


Figure 1. Mean Annual LOLH by Region (2030) – Plant Closures

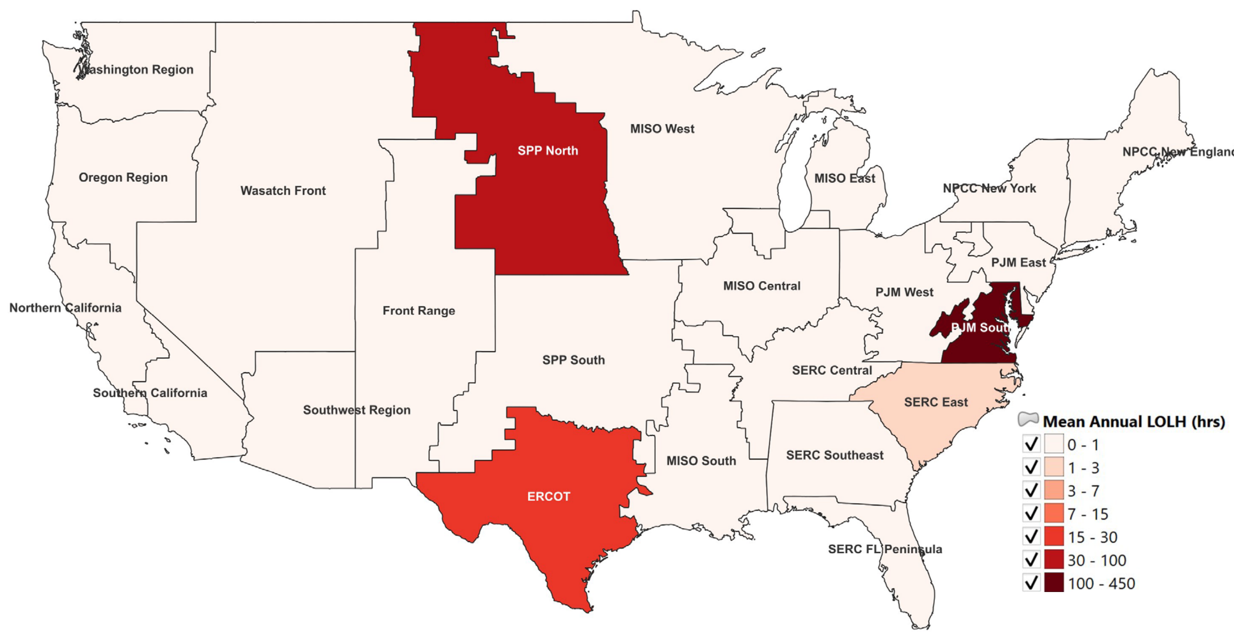


Figure 2. Mean Annual LOLH by Region (2030) – No Plant Closures

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.

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

2030 Model Results

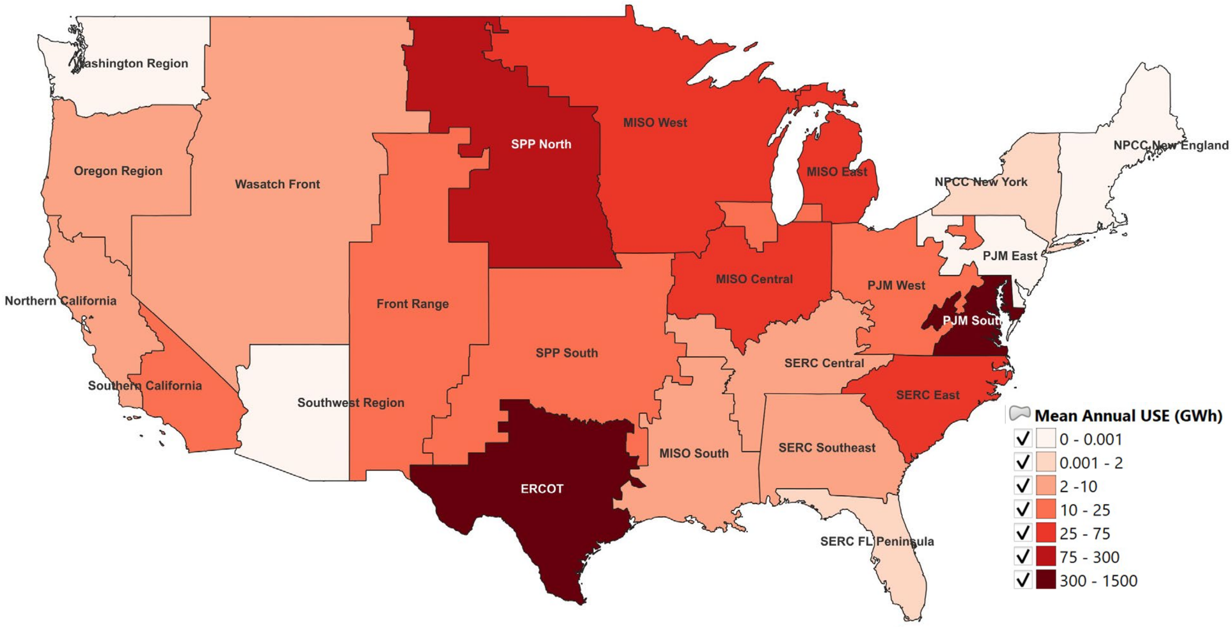


Figure 3. Mean Annual NUSE by Region (2030) -Plant Closures

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**:

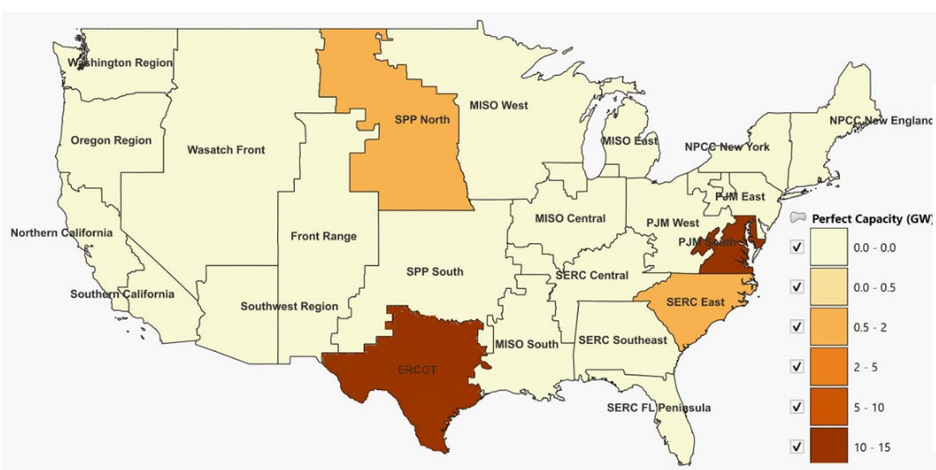
- **PJM**: 214 hours/year average, 0.066% normalized unserved energy, 644 hours in worst year, max 36% of load lost.
- **SPP**: 48 hours/year average, 0.008% normalized unserved energy, max 19% load lost.
- **ERCOT**: 20 average hours, 0.028% normalized unserved energy, 101 max hours/year, peak shortfall 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.

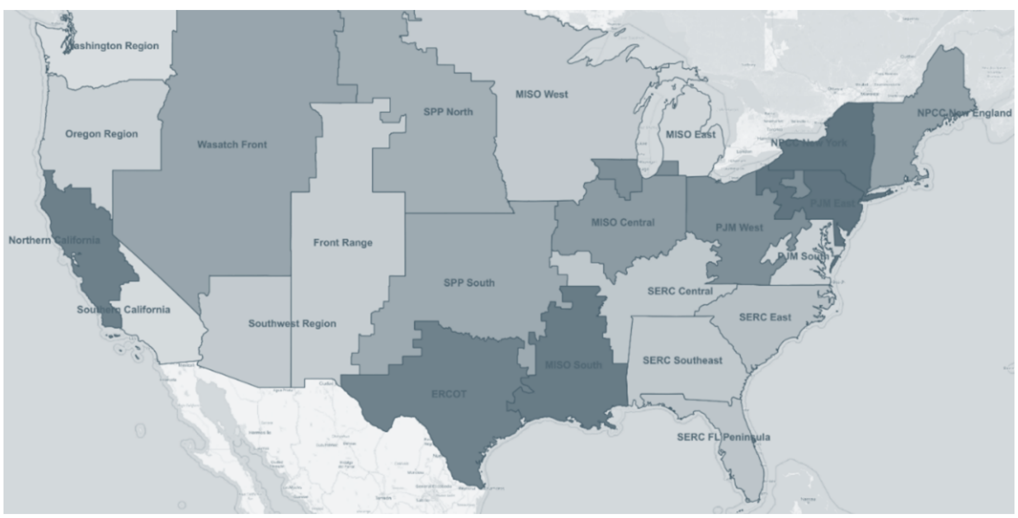


Figure 5. TPRs used in NERC ITCS

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.

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

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:

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.

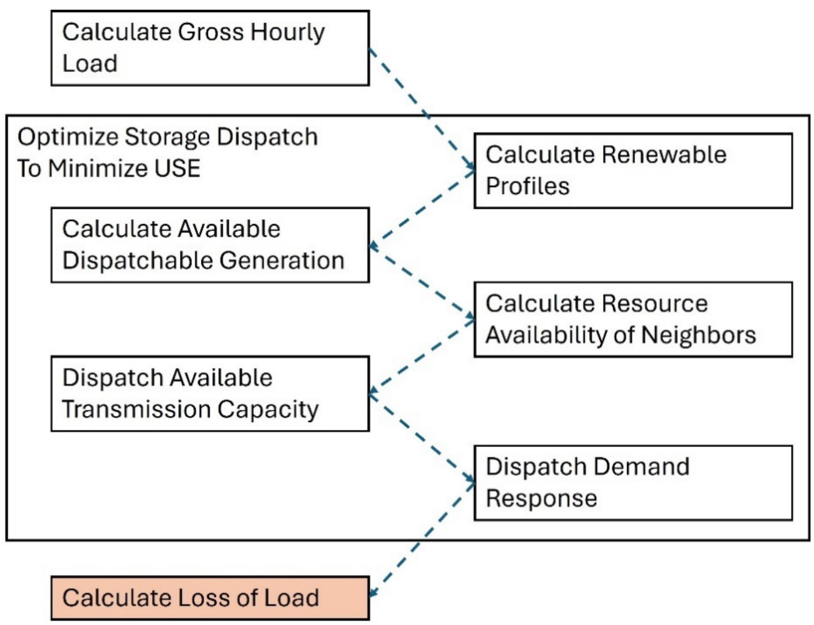


Figure 6. Simplified Overview of Model

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 108 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.

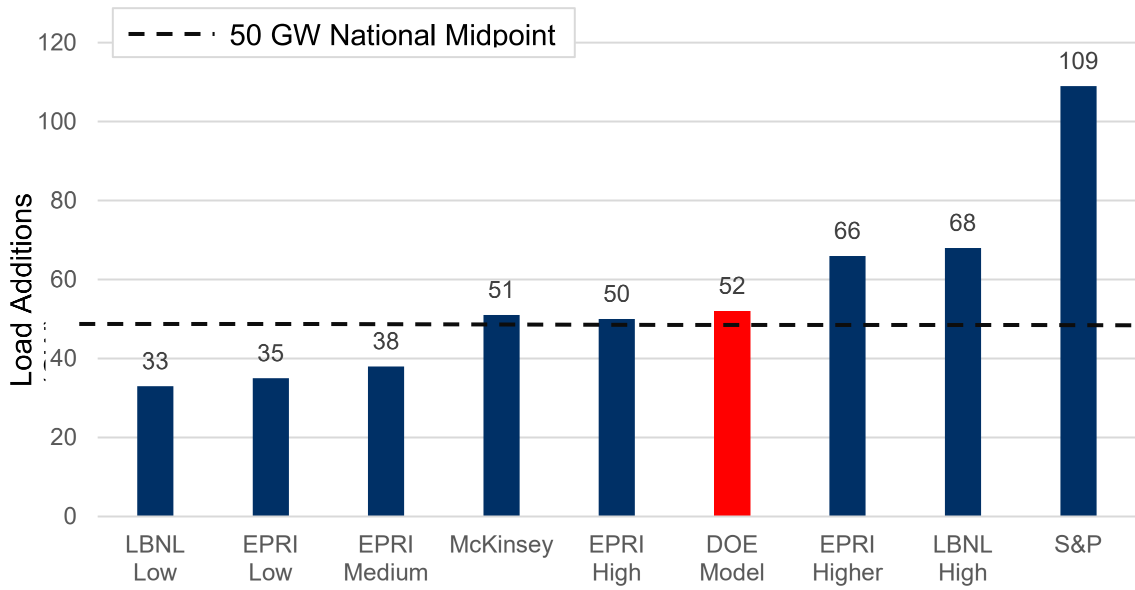


Figure 7. 2024 to 2030 Projected Data Center Load Additions

Figure 2 above displays a benchmark reflecting 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.

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.

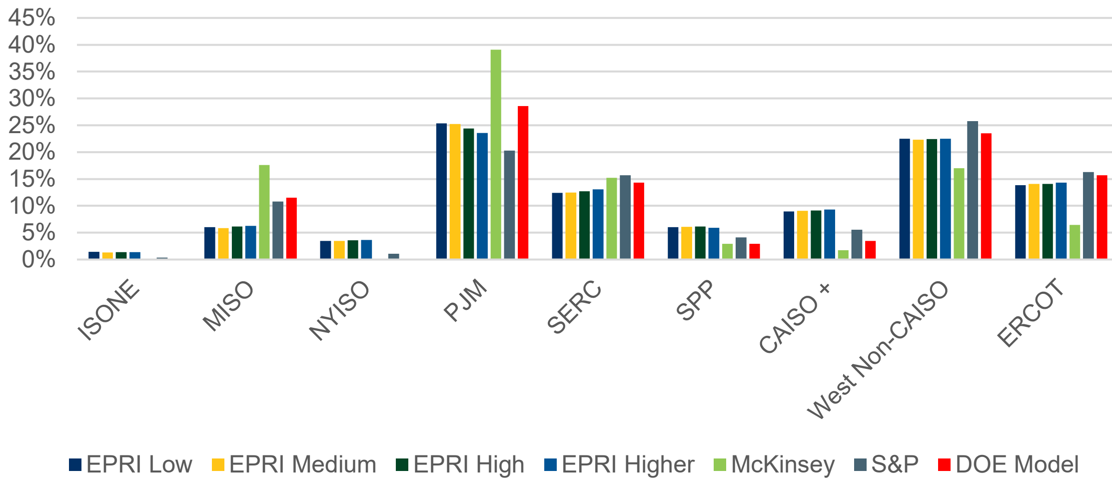


Figure 8. New Data Center Build (% Split by ISO/RTO) (2030 Estimated)

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.

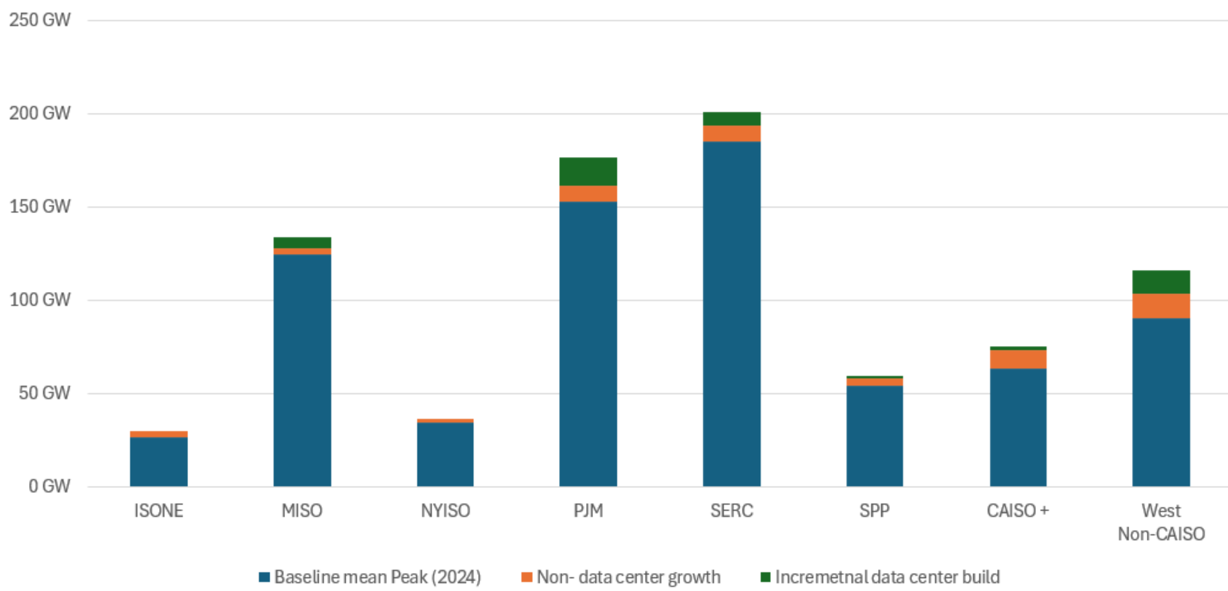


Figure 9. Mean Peak Load by RTO (Current Case vs 2030 Case)

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

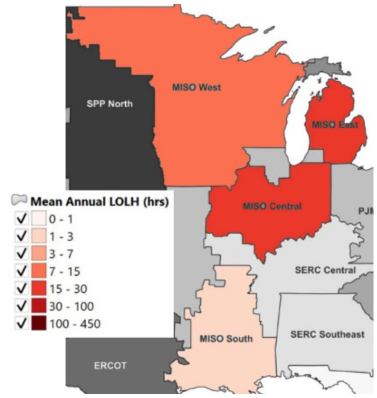
23. MISO, "Resource Adequacy Metrics and Criteria Roadmap," December 2024. https://cdn.misoenergy.org/Resource%20Adequacy%20Metrics%20and%20Criteria%20Roadmap667168.pdf.

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.

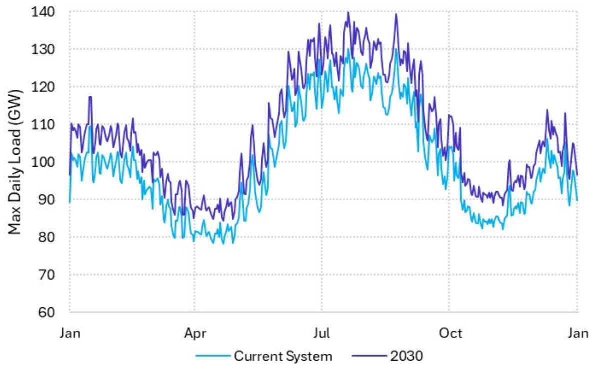
Table 2. Summary of MISO Reliability Metrics

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).

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

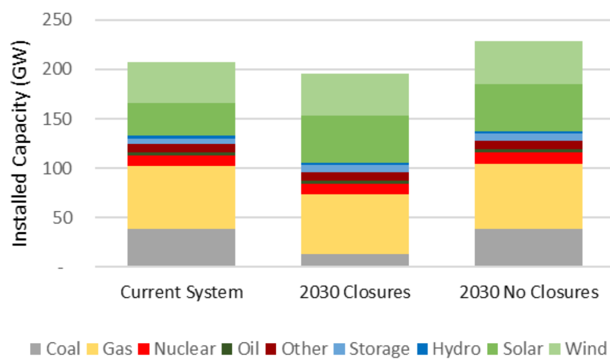


Figure 11. MISO Generation Capacity by Technology and Scenario

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.

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.

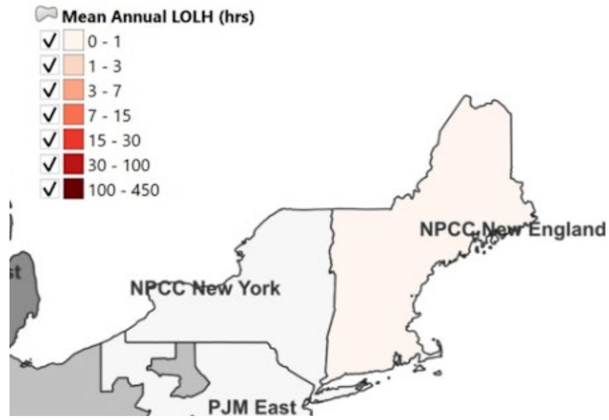
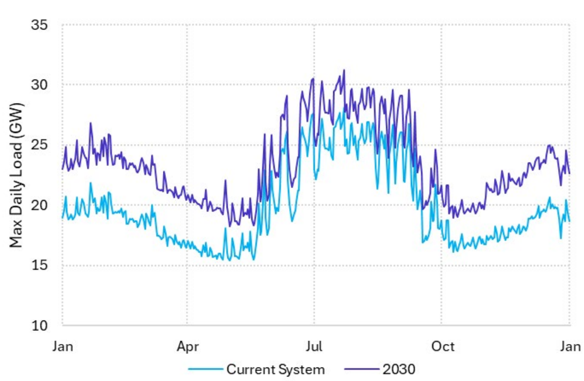


Table 4. Summary of ISO-NE Reliability Metrics

Reliability Metric	Current System	2030 Projection: Plant Closures	2030 Projection: No Plant Closures	2030 Projection: 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**

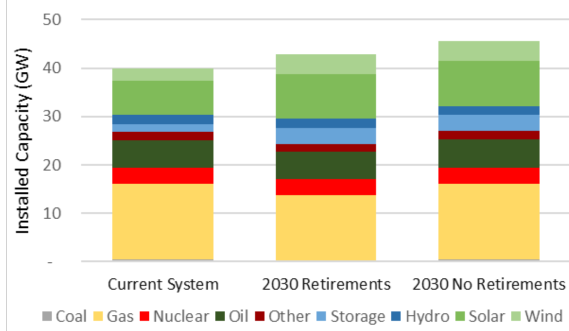


Figure 13. ISO-NE Generation Capacity by Technology and Scenario

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.

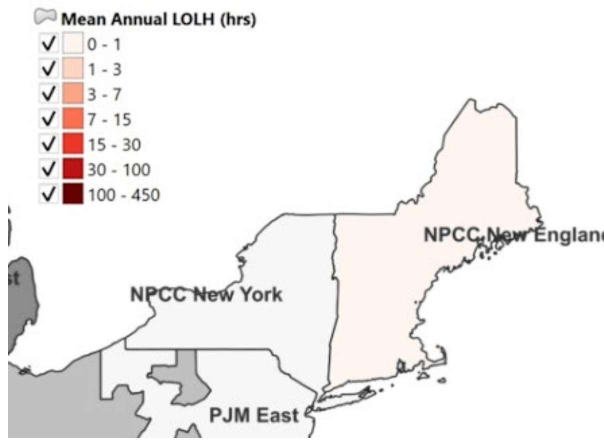
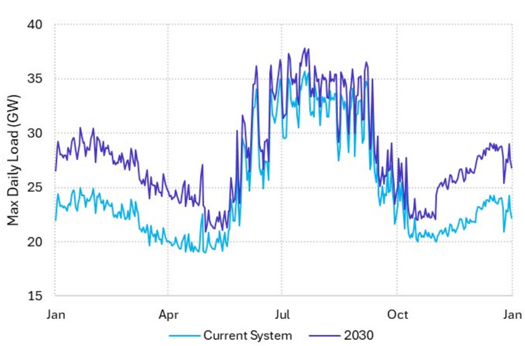


Table 6. Summary of NYISO Reliability Metrics

Reliability Metric	Current System	2030 Projection 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**

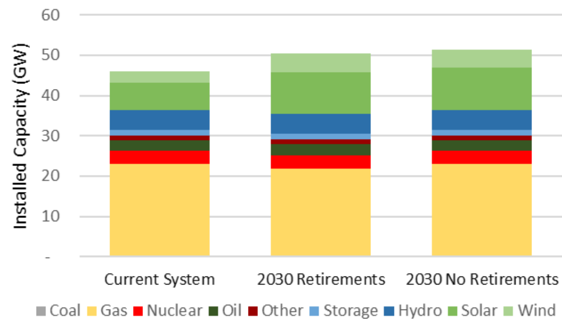


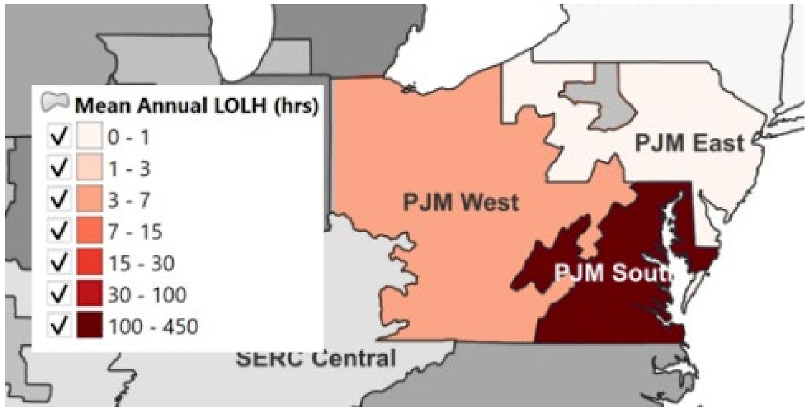
Figure 15. NYISO Generation Capacity by Technology and Scenario

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



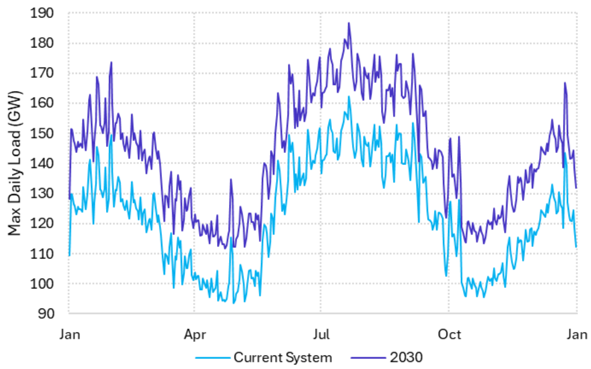
In the current system model, PJM experienced shortfalls, but they were below the required threshold. In the No Plant Closures case, shortfalls increased dramatically, with 214 average annual LOLH and peak unserved load reaching 17,620 MW, indicating growing strain even without retirements. In the Plant 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**

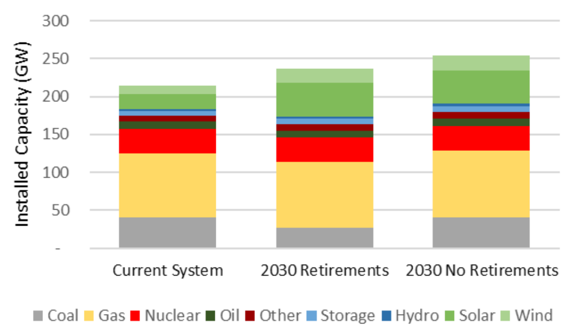


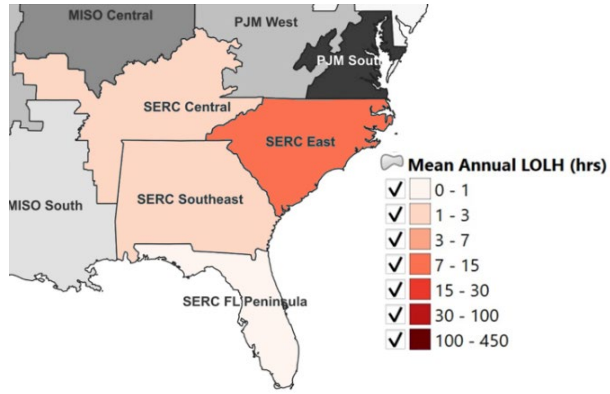
Figure 17. PJM Generation Capacity by Technology and Scenario

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



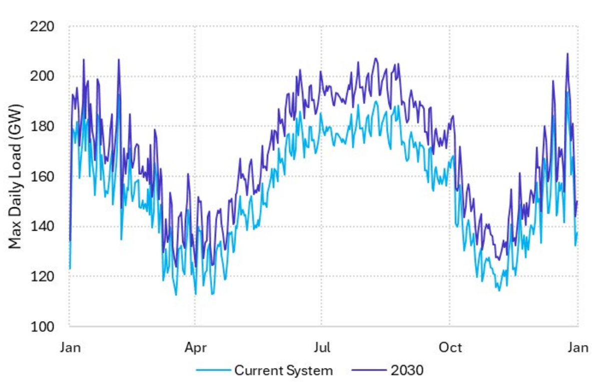
In the current system model and the No Plant Closures case, SERC maintained overall adequacy, though some subregions—particularly SERC-East—faced emerging winter reliability risks. In the Plant Closures case, shortfalls became more severe, with SERC-East experiencing increased unserved energy and loss 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	Current System	2030 Projection 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**

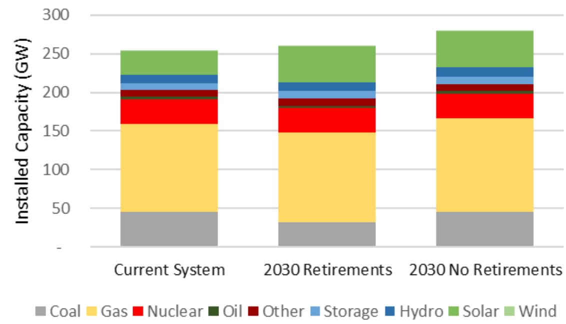


Figure 19. SERC Generation Capacity by Technology and Scenario

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.

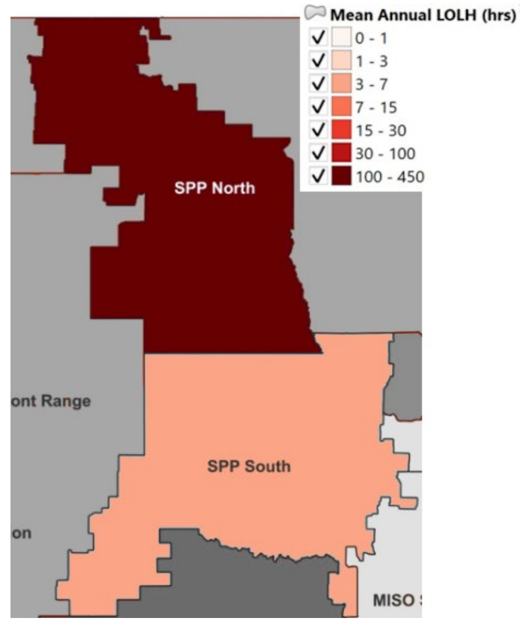
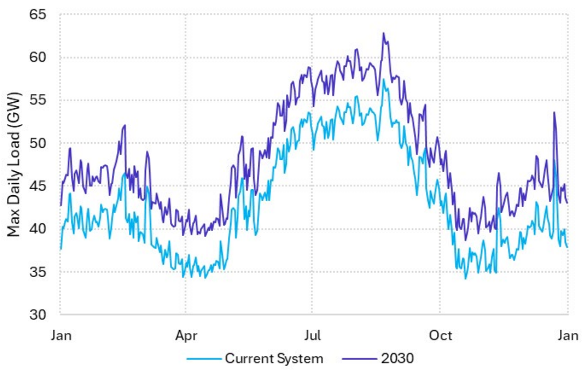


Table 12. Summary of SPP Reliability Metrics

Reliability Metric	Current System	2030 Projection Plant Closures	2030 Projection No Plant Closures	2030 Projection 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**

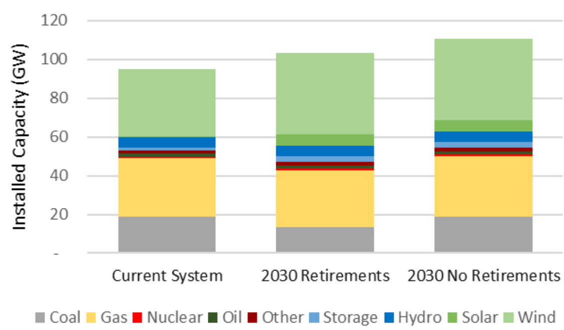


Figure 21. SPP Generation Capacity by Technology and Scenario

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.

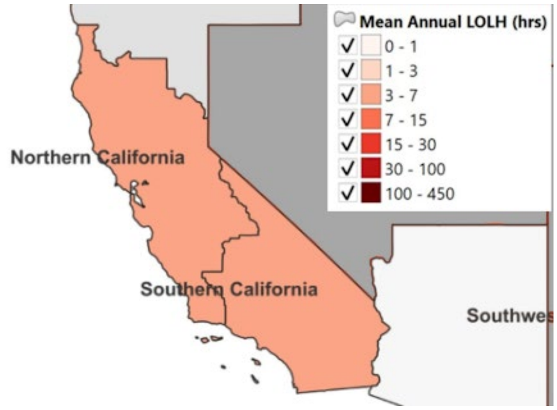
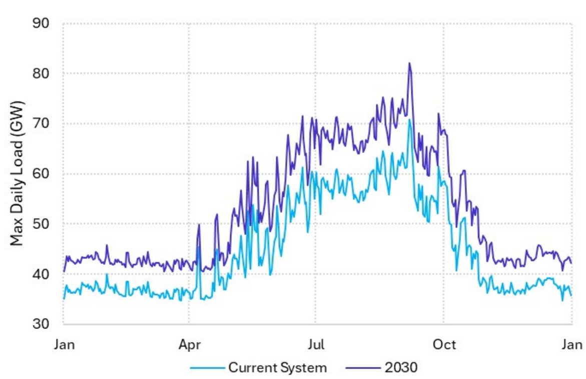


Table 14. Summary of CAISO+ Reliability Metrics

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**

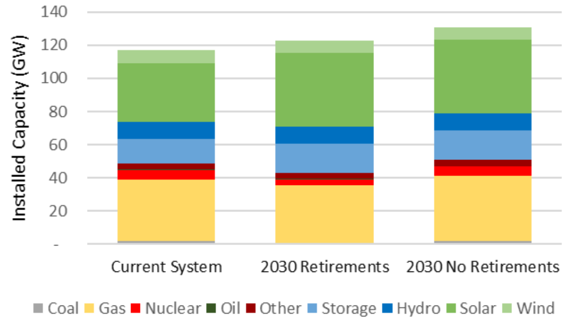


Figure 23. CAISO+ Generation Capacity by Technology and Scenario

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.

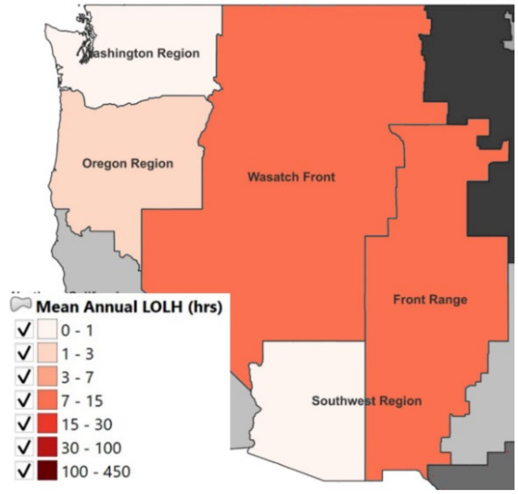
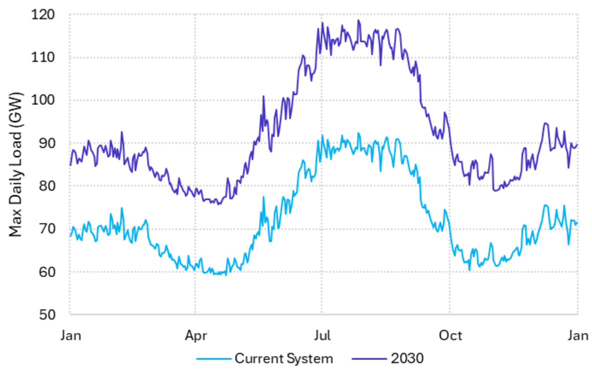


Table 16. Summary of West Non-CAISO Reliability Metrics

Reliability Metric	Current System	2030 Projection: 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**

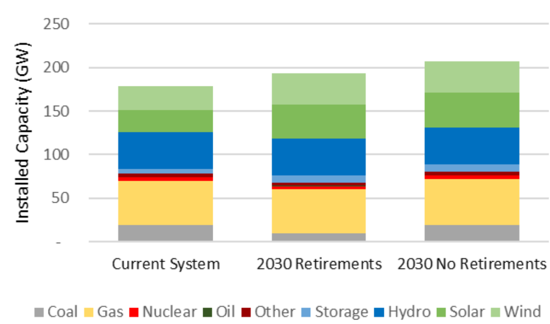


Figure 25. West Non-CAISO Generation Capacity by Technology and Scenario

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.

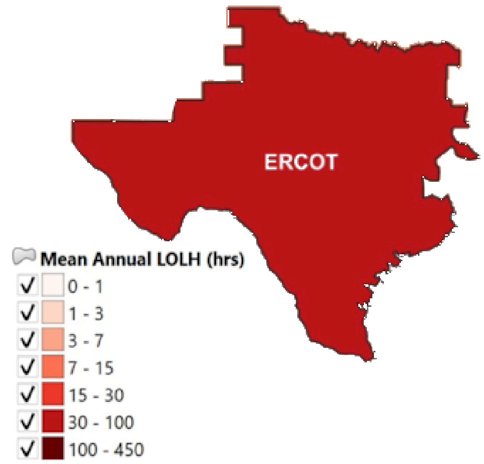
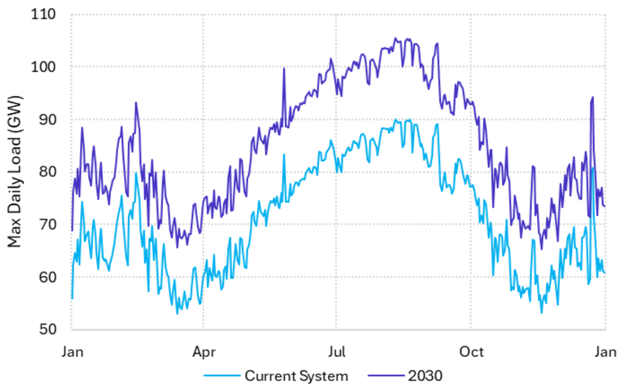


Table 18. Summary of ERCOT Reliability Metrics

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**

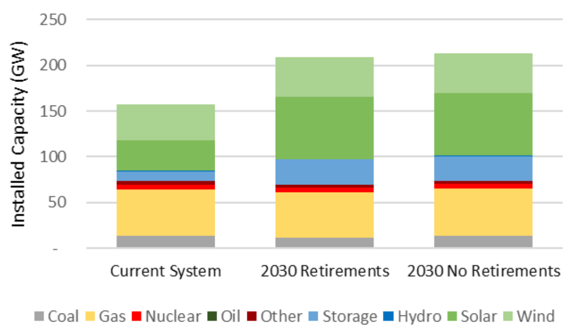


Figure 27. ERCOT Generation Capacity by Technology and Scenario

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.

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.

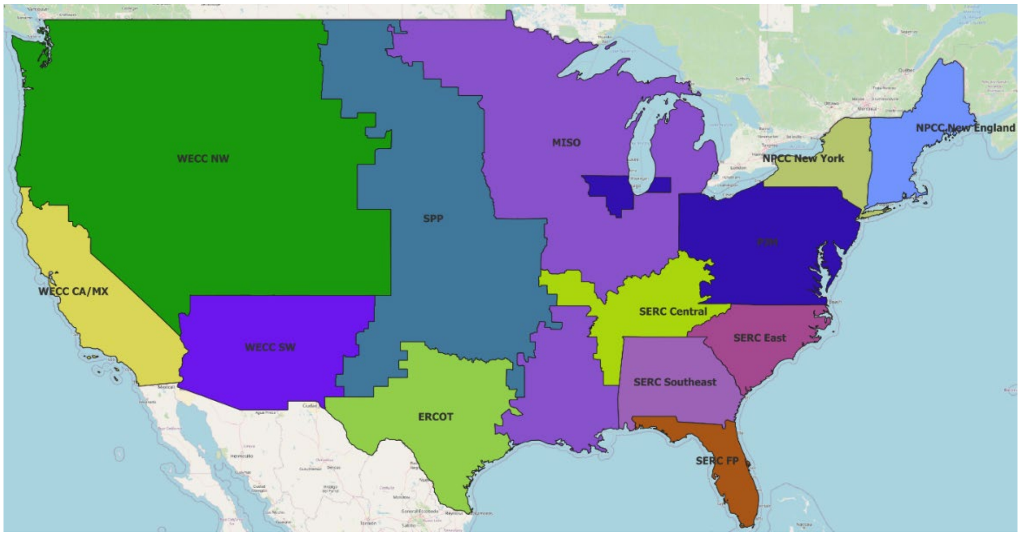


Figure A.1. NERC assessment areas.

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.

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**

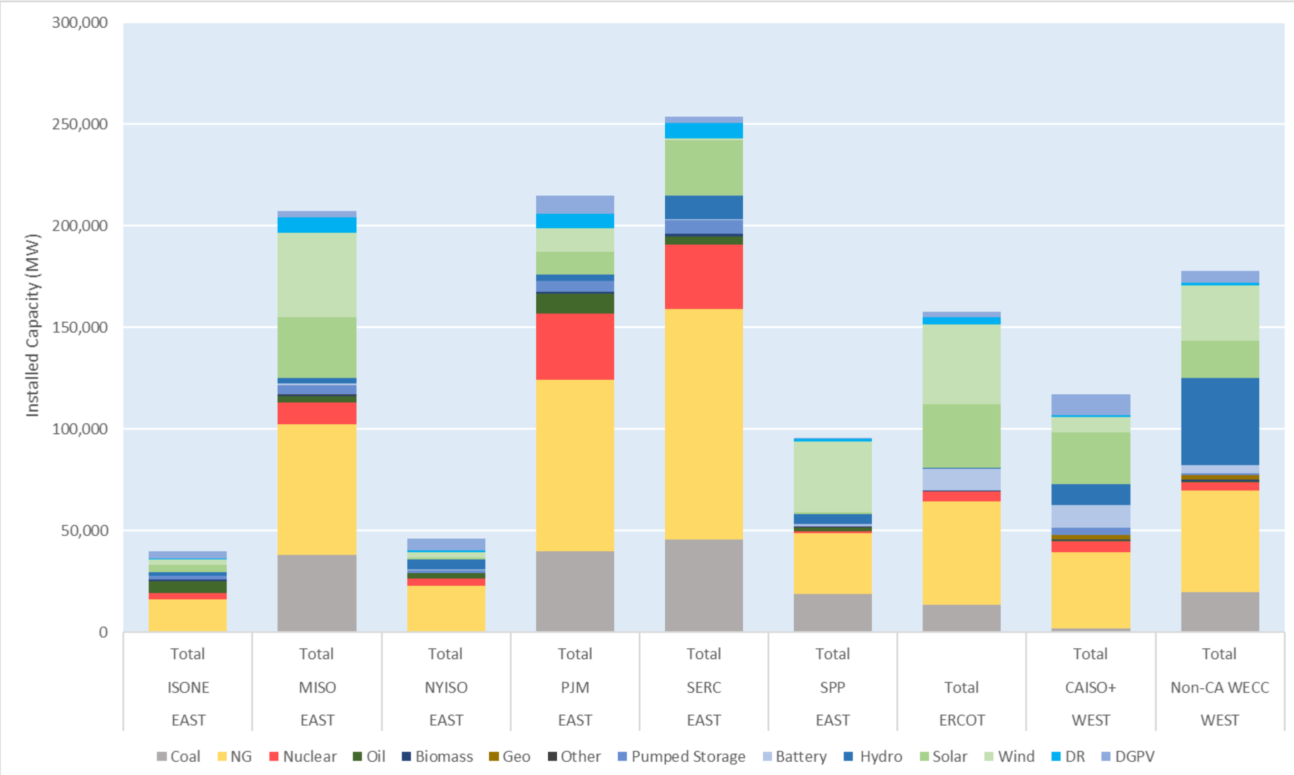


Figure A.2. Existing and Tier 1 capacities by NERC assessment area in 2024.

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.

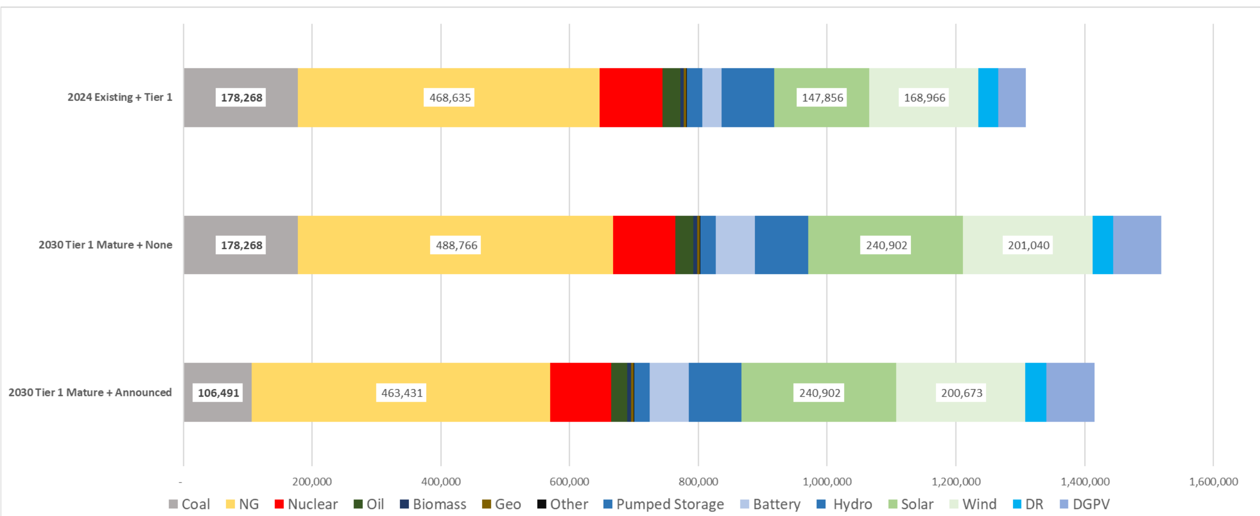


Figure A.9. Comparison of 2030 generation stacks for the various scenarios.

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.

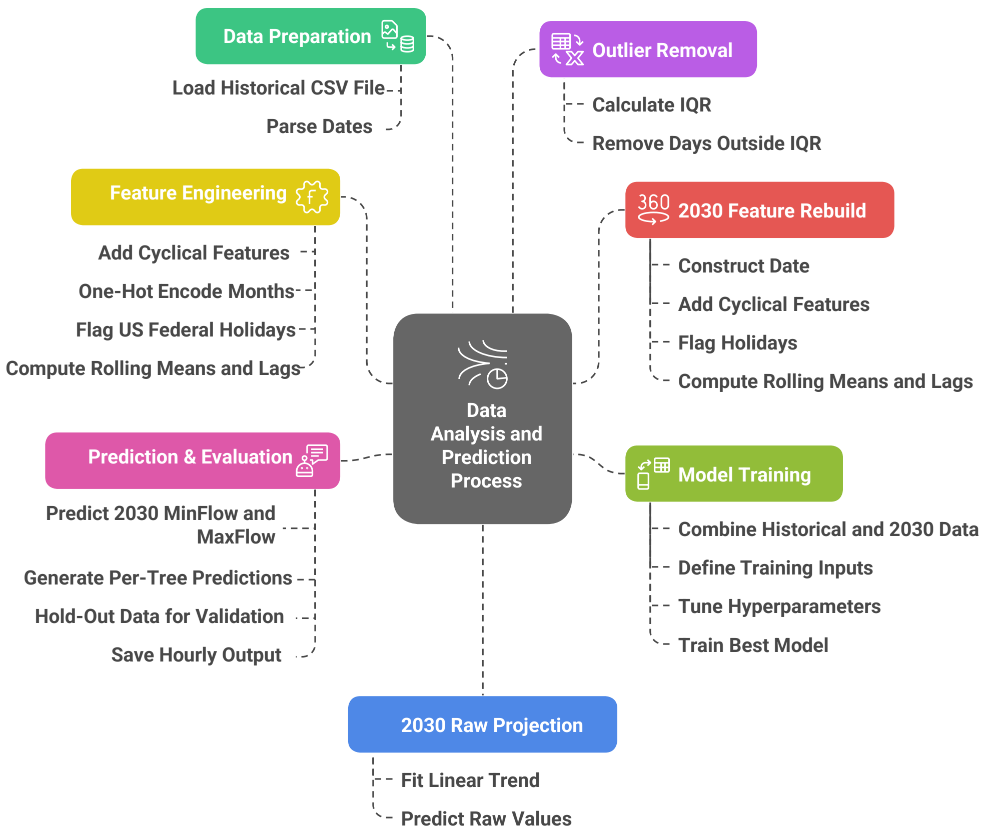


Figure B.1. Data analysis and prediction process.

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.

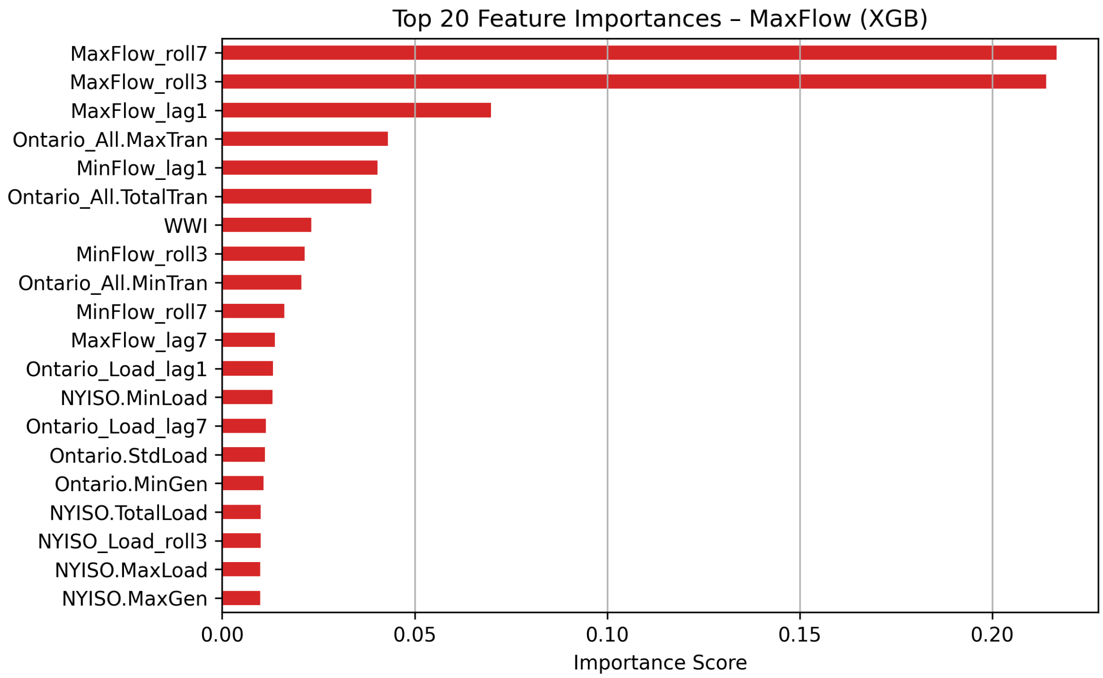


Figure B.2. Feature importance for predicting the hourly maximum energy transfer (MaxFlow) between NYISO and Ontario. XGB = eXtreme Gradient Boosting.

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.

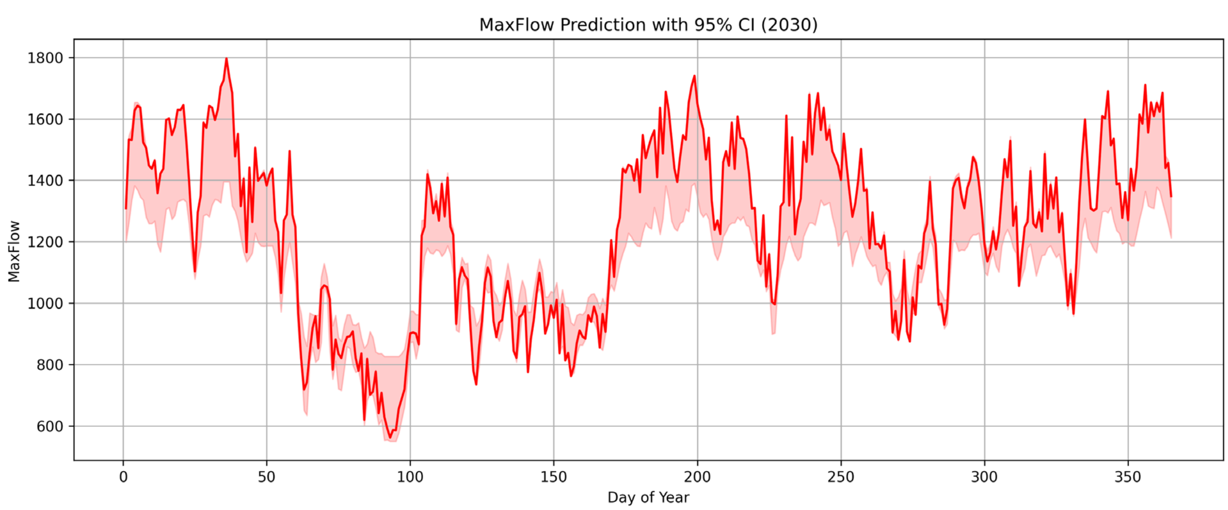


Figure B.3. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI).

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.

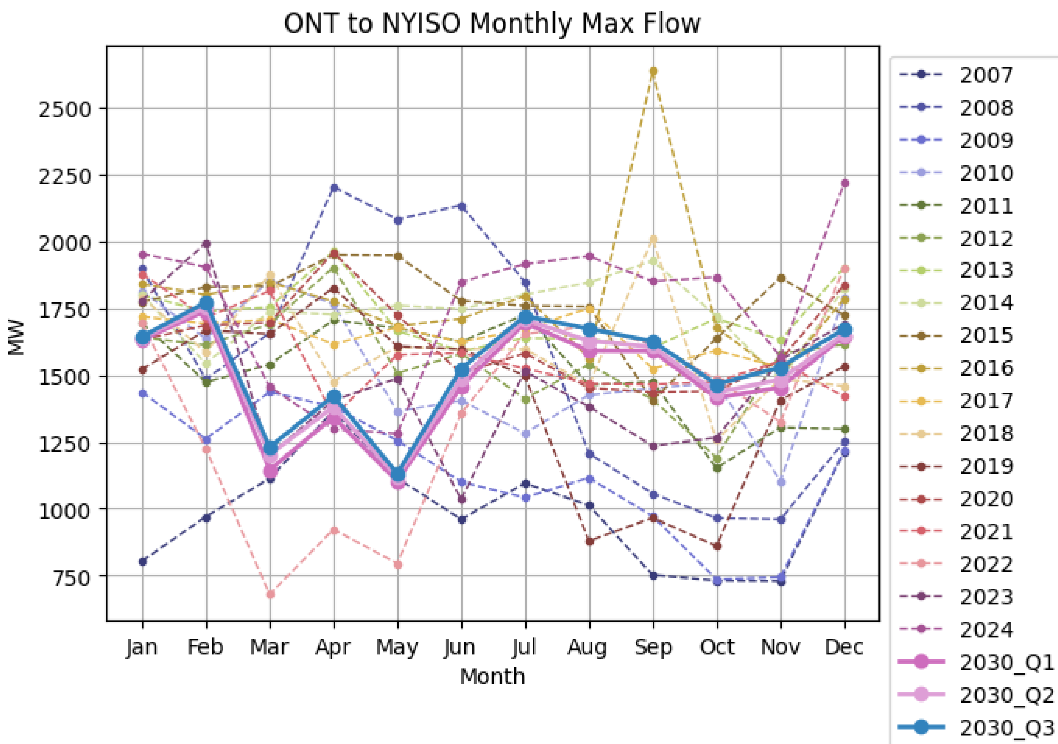


Figure B.4. Monthly maximum energy transfer between Ontario (ONT) and New York (NYISO).

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.

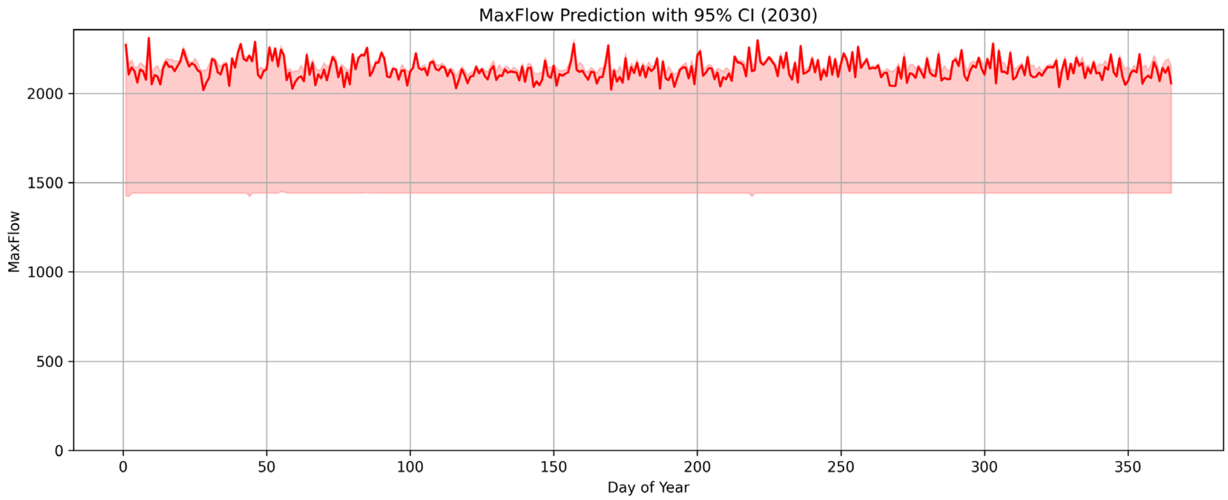


Figure B.5. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between British Columbia and the Pacific Northwest.

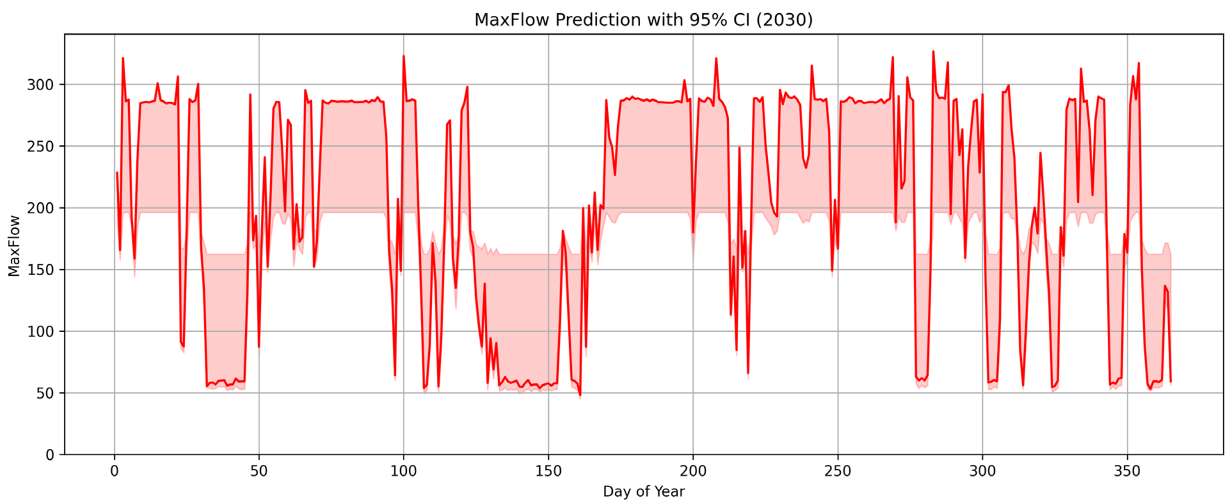


Figure B.6. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between AESO and Montana.

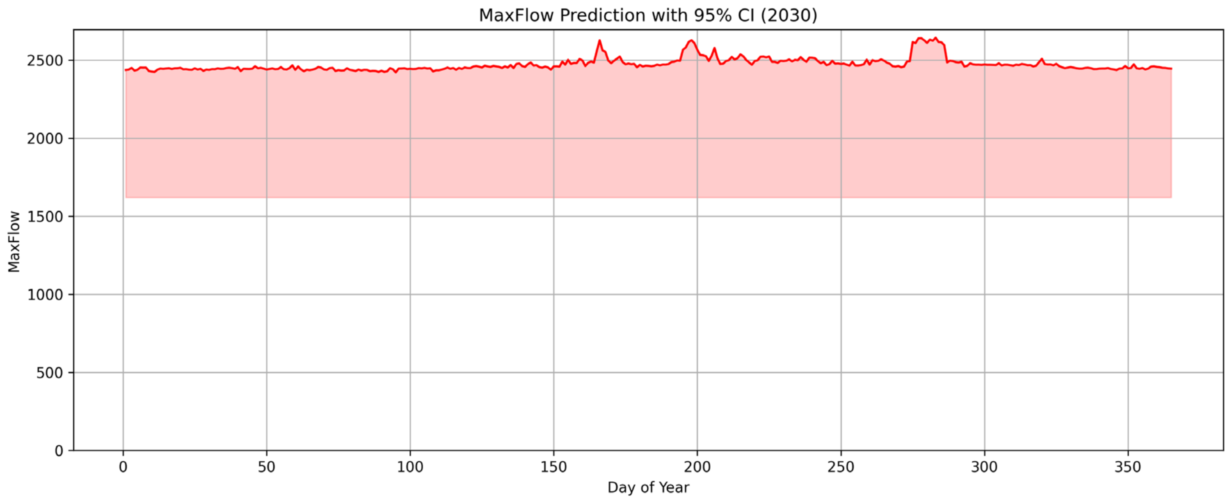


Figure B.7. Projected 2030 maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Manitoba and MISO.

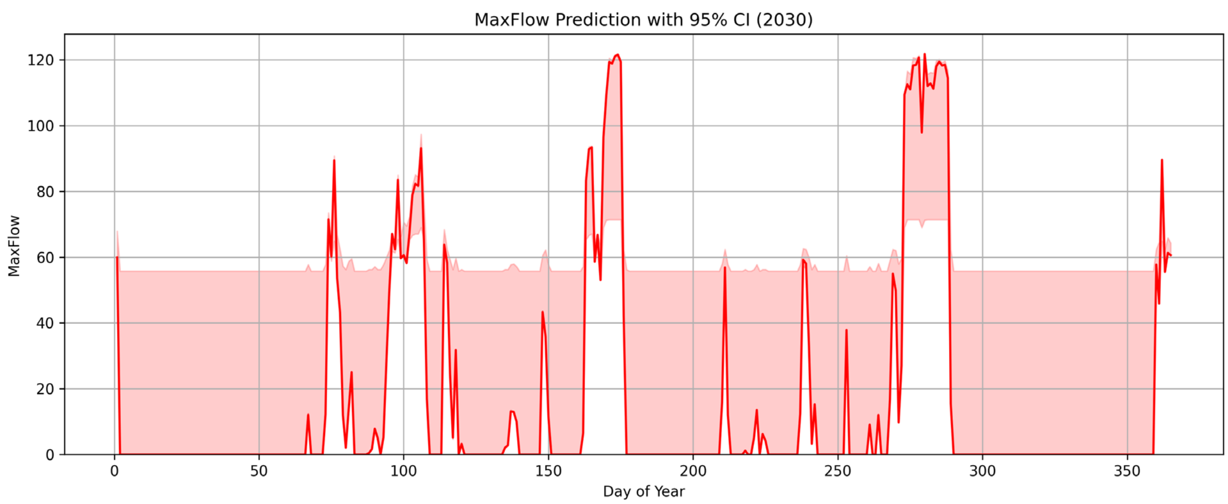


Figure B.8. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and MISO West.

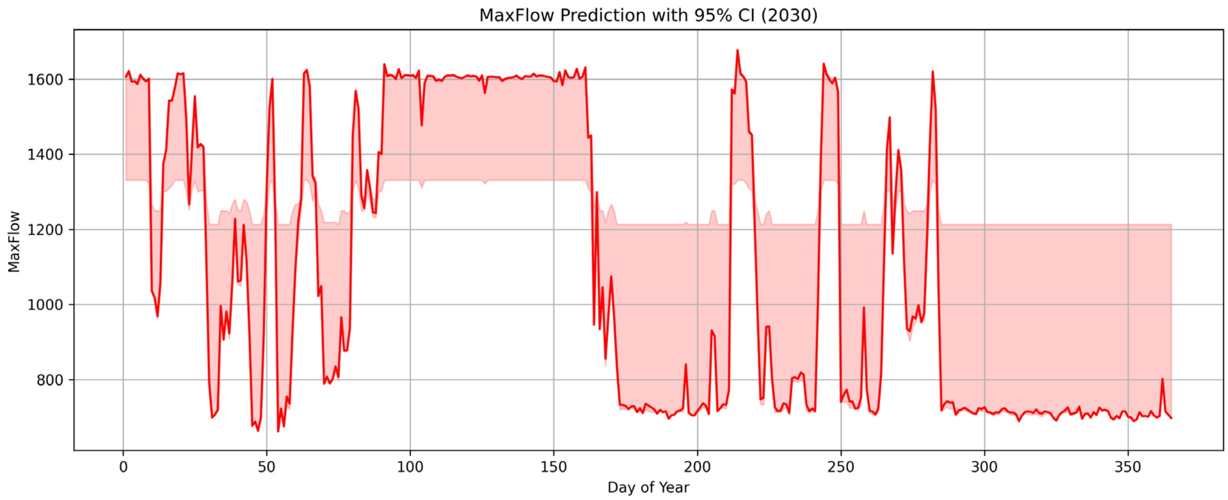


Figure B.9. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and MISO East.

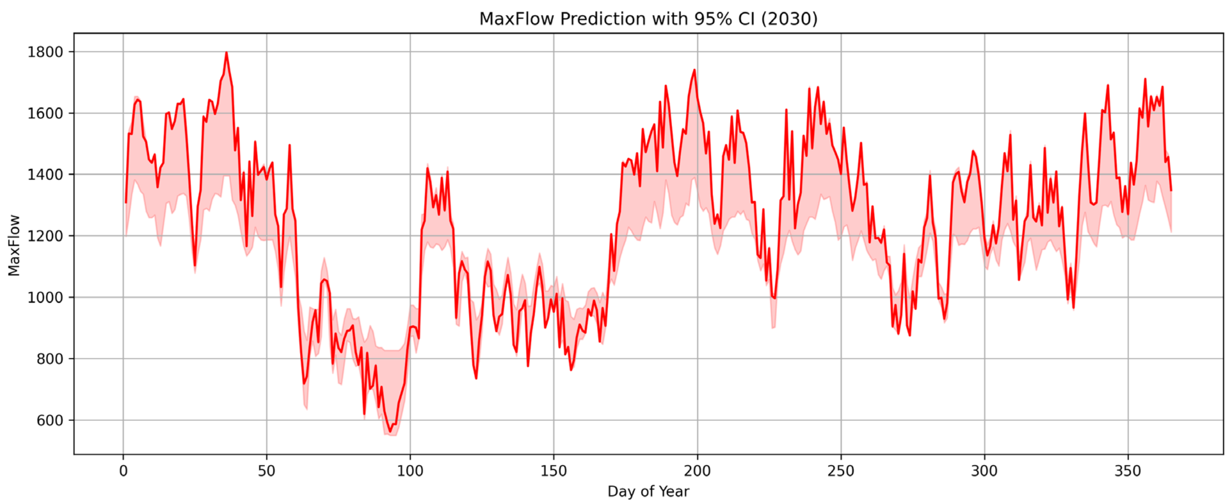


Figure B.10. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and New York.

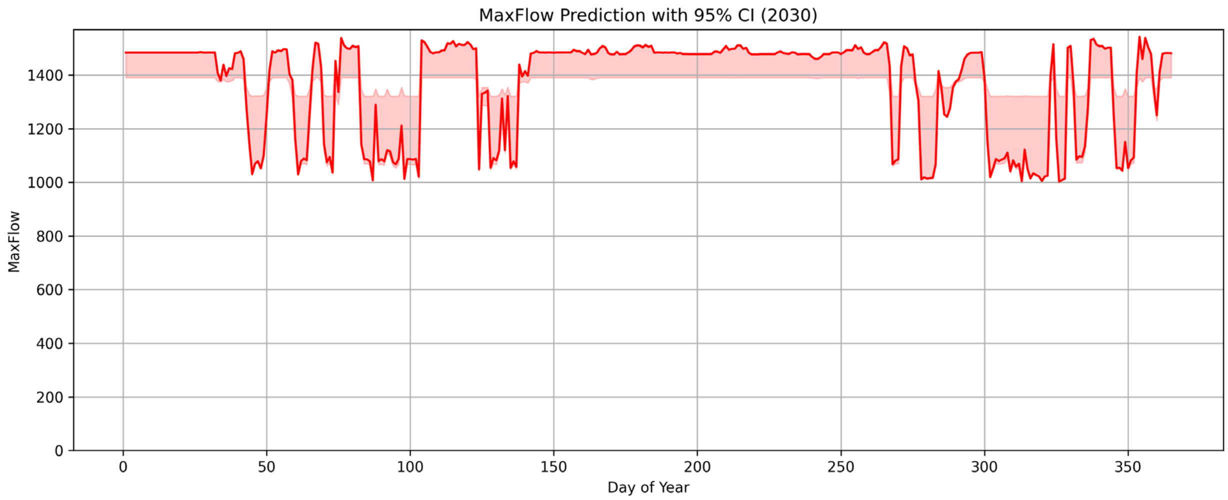


Figure B.11. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Quebec and New York.

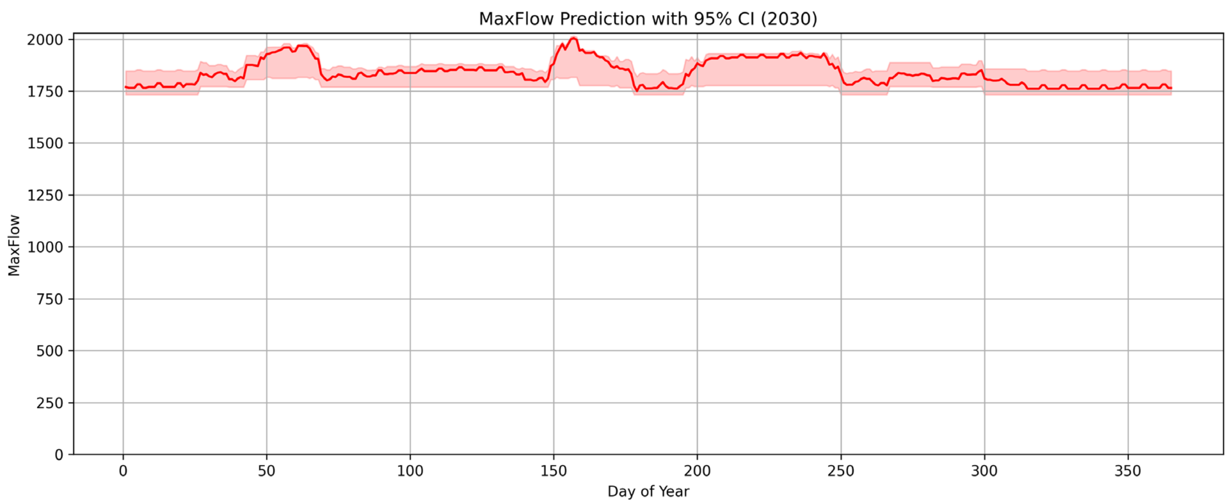


Figure B.12. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Quebec and New England.

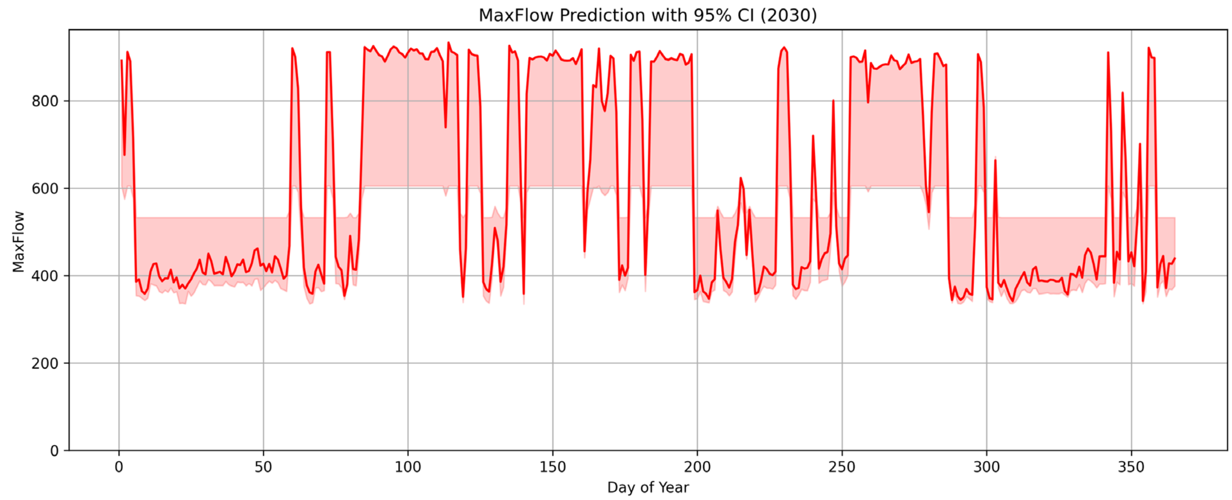


Figure B.13. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between New Brunswick and New England.

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EO 14262

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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.

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(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

EXHIBIT 5

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (this "MOA") is entered into as of December 23, 2011, effective as of the Effective Date (as defined below), by and between the State of Washington, acting through and by Governor Christine Gregoire (the "State"), and TransAlta Centralia Generation LLC, a Washington limited liability company (the "Company" and, together with the State, each a "Party" and together, the "Parties").

RECITALS

A. The Company owns and operates a 1,340 megawatt coal-fired baseload electric generating facility in Centralia, Washington (the "Facility"), which utilizes two coal-fired generating boilers (each, a "Boiler" and together, the "Boilers").

B. Pursuant to RCW 80.80.100, the Governor, on behalf of the State, has been directed to enter into a memorandum of agreement with owners of certain coal-fired facilities in the State of Washington, including the Facility.

C. In order to implement RCW 80.80.100, the Parties desire to memorialize their understanding with respect to certain emissions reductions, installation of selective noncatalytic reduction pollution control technology ("SNCR"), the provision of financial assistance with respect to economic development and the funding of certain energy technologies and certain other matters, in each case subject to the terms and conditions set forth herein.

D. In exchange for the benefits of entering into an MOA with the State pursuant to RCW 80.80.100, the Company will, among other things, (1) at the direction of the State, make certain payments into independent accounts to be held at an appropriate financial institution (the "Account Agent"), an appropriate financial institution within the meaning of RCW 80.80.100, for the provision of financial assistance as set forth in Section 3 of this MOA, (2) pay Interest Tax Liability (as defined in Section 3(b) below), (3) establish, with the State, boards to approve grants from such independent accounts, (4) install SNCR technology and (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, in each case pursuant to the terms and subject to the conditions of this MOA.

E. In exchange for the benefits of entering into an MOA with the Company pursuant to RCW 80.80.100, the State will, among other things, (1) establish air emission requirements based on the use of SNCR, (2) establish, with the Company, boards to approve grants from such independent accounts, (3) recognize investments by the Company in emissions reductions and confirm that based upon early retirement of the Boilers, Facility power is a climate responsible transition product that will substantially contribute to the state meeting its climate change policies and achieve the greenhouse gas reductions in RCW 70.235.020(1)(a),

(4) confirm that Facility power is a product that meets the greenhouse gas emissions performance standards of the State, (5) permit entry into long-term power contracts for the sale of electricity, (6) provide certainty regarding environmental requirements that affect power generation operations, and (7) provide certainty regarding sales and use tax exemptions, in each case pursuant to the terms and subject to the conditions of this MOA.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Effective Date; Term. This MOA shall be effective on April 1, 2012 (the "Effective Date"). Unless terminated pursuant to the terms of Section 8, this MOA shall terminate upon the later to occur of (i) December 31, 2025, or (ii) the disbursement of all amounts deposited in the Accounts pursuant to the terms of the Account Agreement and Section 4.

2. Incorporation by Reference. The provisions of RCW 80.80.040, RCW 80.80.060 and RCW 80.80.070, in each case as in effect on July 22, 2011, are hereby incorporated herein by reference.

3. Company Contribution of Financial Assistance.

(a) Beginning January 1, 2012 and ending December 31, 2023, or until the full amounts set forth in Section 3(b) have been provided, the Company shall make annual payments by wire transfer of immediately available funds to the following independent accounts maintained by the Account Agent on behalf of the Company in the following amounts (in each case, less Interest Tax Liability incurred with respect to amounts in such accounts during the previous year pursuant to the terms of Section 3(b)):

(i) $833,333.33 annually to an account established to fund energy efficiency and weatherization for the residents, employees, businesses, non-profit organizations and local governments within Lewis County and South Thurston County, Washington, from which Grants (as defined herein) are to be made pursuant to the terms of the Account Agreement and Section 4 (the "Weatherization Fund"), of which an aggregate amount of up to $1,000,000, calculated over the life of the Weatherization Fund, shall be allocated to fund residential energy efficiency and weatherization measures for low-income and moderate-income residents of Lewis County and South Thurston County, Washington;

(ii) $1,666,666.67 annually to an account established to fund education, retraining, economic development, and community enhancement, from which Grants are to be made pursuant to the terms of the Account Agreement and Section 4 (the "Economic and Community Development Fund"), of which an aggregate amount of at least $5,000,000, calculated over the life of the Economic and Community Development Fund, shall be allocated to fund education, retraining and economic development specifically targeting the needs of workers displaced from the Facility; and

(iii) $2,083,000.33 annually to an account established to fund energy technologies with the potential to create considerable energy, air quality, haze or other environmental benefits located in or otherwise to the benefit of the State of Washington, from which Grants are to be made pursuant to the terms of the Account Agreement and Section 4 (the "Energy Technology Fund" and, together with the Weatherization Fund and the Economic and Community Development Fund, the "Accounts").

The Company shall pay such amounts for each calendar year on or before December 31 of such calendar year. Pursuant to the terms of Section 4, grants of funds from the Accounts (each, a "Grant") shall be made in accordance with the purpose for each such Account as set forth in Sections 3(a)(i) through 3(a)(iii) ("Proper Grant Purposes").

(b) In connection with the execution of this MOA and the transactions contemplated hereby, and prior to the date that any amounts are deposited in the Accounts pursuant to Section 3(a), the Company shall execute an agreement with the Account Agent governing the terms of the Accounts and disbursements therefrom (the "Account Agreement"), but only after the Company has provided the Office of the Governor the opportunity to review the Account Agreement and the Office of the Governor consents to the terms of the Account Agreement. The terms of the Account Agreement shall be consistent with and in furtherance of the terms of this MOA and RCW 80.80.100, and shall include a requirement that the disbursement of Grants from the Accounts be conditioned upon the Account Agent's receipt of a written resolution of a Supermajority of the applicable Grant Review Board in accordance with Section 4(h), a requirement that funds be invested in low-risk investment alternatives designed to preserve principal, the assumption by the Company of all Income Tax Liability associated with the Accounts in accordance with Section 3(c) and a term of years coextensive with this MOA.

(c) The Company shall assume the obligation to pay taxes on interest and gains on all funds deposited in the Accounts (the "Interest Tax Liability"). Notwithstanding anything to the contrary in this Section 3, the amount of Interest Tax Liability incurred by the Company shall reduce the amount of payments to the applicable Account required by Sections 3(a)(i) through 3(a)(iii), as a result of which (i) the maximum contribution to the Weatherization Fund by the Company under this MOA shall not exceed an amount equal to $10,000,000 minus any Interest Tax Liability incurred with respect to funds in the Weatherization Fund, (ii) the maximum contribution to the Economic and Community Development Fund by the Company under this MOA shall not exceed an amount equal to $20,000,000 minus any Interest Tax Liability incurred with respect to funds in the Economic and Community Development Fund, and (iii) the maximum contribution to the Energy Technology Fund by the Company under this MOA shall not exceed an amount equal to $25,000,000 minus any Interest Tax Liability incurred with respect to funds in the Energy Technology Fund. All interest and gains earned on funds deposited in any Account shall remain in such Account and shall constitute additional funds from which Grants may be made, with no corresponding offset or deduction other than as set forth in the immediately preceding sentence.

(d) All fees and expenses of the Account Agent payable pursuant to the Account Agreement or otherwise shall be paid out of funds in the Accounts. Other than payments made from the Account as set forth in this Section 3, neither Party shall have any liability for fees or expenses of the Account Agent with respect to the Accounts under this MOA, the Account Agreement or otherwise.

4. Grant Review Board; Authorization of Expenditures

(a) No later than July 1, 2012, the Parties agree to establish three boards (together, the "Grant Review Boards"), each of which will have the authority to approve Grants from one Account in accordance with Proper Grant Purposes and the provisions of this Section 4.

(b) Initial Composition of Grant Review Boards. The Grant Review Boards shall initially consist of members (the "Board Members") as set forth below; provided that each Board Member shall have legal, financial, energy or other experience relevant to his or her service on such Grant Review Board, as determined by the Party authorized to designate such Board Member pursuant to this Section 4(b) in such Party's reasonable discretion:

(i) The Grant Review Board with the authority to approve Grants from the Weatherization Fund (the "Weatherization Board") shall consist of the following Board Members:

(A) one member selected by the Lewis County Economic Development Council;

(B) one member selected by the United Way of Lewis County;

(C) one elected commissioner of the Lewis County Public Utility District, selected by the District;

(D) one member selected by Centralia City Light;

(E) one member selected by the NW Energy Coalition;

(F) one employee of the Company selected by the Company; and

(G) five representatives of the Company selected by the Company.

(ii) The Grant Review Board with the authority to approve Grants from the Economic and Community Development Fund (the "Economic and Community Development Board") shall consist of the following Board Members:

(A) one member selected by the Lewis County Economic Development Council;

(B) one local elected official from Lewis County, Washington, selected by the Lewis County Commissioners;

(C) one member selected by the Centralia Chehalis Chamber of Commerce;

(D) one member selected by the Thurston- Lewis- Mason Central Labor Council;

(E) one employee of the Company selected by the Company; and

(F) four representatives of the Company selected by the Company.

(iii) The Grant Review Board with the authority to approve Grants from the Energy Technology Fund (the "Energy Technology Board") shall consist of the following Board Members:

(A) one member selected by the Lewis County Economic Development Council;

(B) one local elected official from Lewis County, Washington, selected by the Lewis County Commissioners;

(C) one member selected by the Centralia Chehalis Chamber of Commerce;

(D) one member selected by Climate Solutions;

(E) one member selected by the Thurston- Lewis- Mason Central Labor Council;

(F) one member selected by Innovate Washington;

(G) one member selected by the Southwest Clean Air Agency;

(H) two employees of the Company, selected by the Company; and

(I) six representatives of the Company selected by the Company.

(c) At any time following the third anniversary of the Effective Date, the Company and the office of the Governor of the State may jointly agree to substitute any entity authorized to designate a Board Member pursuant to Section 4(b) with another entity with a similar mission or constituency, as determined by the Company and the office of the Governor of the State in their sole discretion in accordance with the requirements of RCW 80.80.100(4)(b).

(d) Each Board Member shall have one vote. The affirmative vote of a number of Board Members equal to a majority of Board Members on any Grant Review Board plus one shall constitute a "Supermajority".

(e) The entity authorized to designate a Board Member pursuant to Sections 4(b) and 4(c) shall have the authority to remove such Board Member, with or without cause, by written notice to such Grant Review Board and the Board Members thereof. In the event that any Board Member ceases to serve as a Board Member for any reason, the resulting vacancy on such Grant Review Board shall be filled by a replacement Board Member designated by the entity authorized to designate such member pursuant to Sections 4(b) and 4(c) by written notice to such Grant Review Board and the Board Members thereof.

(f) Each Board shall select its own chairperson.

(g) Subject to the terms of Section 5, the Weatherization Board shall, no later than January 1, 2013, adopt by a Supermajority (i) the process by which persons may submit applications for Grants to be made from the applicable Account, including the procedure for preliminary review of applications, (ii) the criteria and standards by which Grants may be made and (iii) a non-binding schedule of anticipated Grants by category (clauses (i), (ii) and (iii), collectively, the "Grant Procedures"). Subject to the terms of Section 5, the Economic and Community Development Board and the Energy Technology Board shall, no later than January 1, 2015, adopt by a Supermajority of its Board Members Grant Procedures with respect to each of the Economic and Community Development Fund and the Energy Technology Fund, respectively. The Grant Review Boards will jointly establish and maintain a single website to make such Grant Procedures and announcements relating to solicitations of proposals and awards of bids readily available to the public and shall further publicize such solicitations in a manner which the Grant Review Boards deem appropriate in its reasonable discretion, with all reasonable costs and expenses incurred as a result of the establishment or maintenance of such website and any such publicity to be payable from the applicable Account in accordance with the terms of Section 4(l).

(h) A Grant shall be made from an Account only following the affirmative written consent of a Supermajority of the Board Members of the applicable Grant Review Board, which consent must set forth the amount of such Grant, the recipient of such Grant, the date or dates upon which such Grants are to be made and any conditions to which the payment of Grant proceeds is subject; provided, however, that all Grants shall be made only for Proper Grant Purposes. No Grants may be authorized from the Weatherization Fund prior to the later to occur of (i) the execution by the Company or an affiliate of a Qualified Power Purchase Agreement (as defined in Section 8(c) below) and (ii) July 1, 2013. No Grants may be authorized from the Economic and Community Development Fund or the Energy Technology Fund prior to December 31, 2015.

(i) Following the affirmative written consent of a Supermajority of the Board Members of a Grant Review Board, the member or members of such Grant Review Board appointed by the Company shall be authorized to deliver to the Account Agent a letter of direction, in accordance with the terms of the Account Agreement, authorizing the Account Agent to make such Grants from the Accounts as have been authorized pursuant to Section 4(h).

(j) Meetings of each Grant Review Board shall be held quarterly, except that a Supermajority of the Board Members of any Grant Review Board may call special meetings of such Grant Review Board. Board Members may participate in a meeting of a Grant Review Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, with such participation constituting presence in person at such meeting. Written or oral notice of regular or special meetings of each Grant Review Board shall be given at least two days prior to the date of the meeting. A Board Member may waive notice of a meeting either before or after the meeting by written waiver or attendance at the meeting. Board Members may vote at any meeting either in person or by proxy executed in writing.

(k) Board Members shall not be entitled to any remuneration for their service on any Grant Review Board.

(l) Costs associated with administering the grant process, the Accounts or the Grant Review Boards, including without limitation reasonable costs relating to accounting, establishment of systems for payment of Grants and expenses incurred by Board Members, shall be payable from the applicable Accounts. Board Members shall be entitled to be reimbursed for costs and expenses incurred as a result of serving on a Grant Review Board or attending meetings of a Grant Review Board to the extent such reimbursement would be permitted to be made to a person serving on a class one group board established by the State of Washington under RCW 43.03.220 and pursuant to the State Administrative and Accounting Manual, as published by the Washington State Office of Financial Management.

5. Publicity and Naming Rights.

(a) All press releases and other announcements regarding the solicitation, award or distribution of individual Grants shall be made in coordination with and give recognition to the Company. The State, the Grant Review Boards and the Board Members shall not, directly or indirectly, issue any such press release or make any such announcement without the prior consent of the Company, not to be unreasonably withheld.

(b) The Company shall have the authority to designate names for each Grant or series of Grants in recognition of its financial support. If the Company or TransAlta changes its name or corporate image at any time during the term of this MOA, the Company may designate related changes to the names of the Grants.

6. SNCR Installation. No later than January 1, 2013, the Company shall install SNCR equipment in each Boiler on the terms and conditions set forth in the Department of Ecology administrative order, First Revision: Order No. 6426, dated December 13, 2011, regarding the Best Available Retrofit Technology for the eligible emission units at the Facility

(the "BART Order"). The Company and the State have discussed the proper use of ammonia in this technology as required by RCW 80.80.100(2)(b), and the Company shall operate the Facility in conformance with the requirements set forth in Section 2 of the BART Order.

7. Recognition of Investments in Emissions Reductions. In the event that the Company elects to reduce greenhouse gas emissions in excess of the emission reductions required by RCW 80.80.040(3)(c) ("Additional Emissions Reductions"), the State shall recognize such Additional Emissions Reductions in applicable state policies and programs relating to greenhouse gas emissions, and shall use its reasonable best efforts to cause the Additional Emissions Reductions to be recognized for the benefit of the Company in applicable regional, national or international policies and programs relating to greenhouse gas emissions. Further, the State agrees to recognize the Company's shut-down of the Facility's boilers prior to the end of their useful lives by taking the early shut-down into consideration during future environmental regulatory processes that may adversely affect the Facility's operations. This shall entail providing TransAlta with an opportunity to consult with Department of Ecology officials prior to final promulgation of environmental rules or other regulatory requirements. Such consultation shall occur upon written request of the Company to the Department of Ecology and, at the Company's request, shall include participation of a representative of the Governor's Office.

8. Termination.

(a) This MOA may be terminated by the Company effective immediately upon written notice to the State at any time prior to or following the Effective Date upon the issuance by any governmental agency of a determination (i) that selective catalytic reduction technology must, as a matter of state or federal law, be installed on either or both of the Boilers or (ii) that conditions any rights or privileges on the installation of selective catalytic reduction technology on either or both of the Boilers.

(b) This MOA may be terminated by the Company effective immediately upon written notice to the State if any or all tax exemptions applicable to the Company and the Facility under RCW 82.08.811 or RCW 82.12.811, in either case as in effect on July 22, 2011 (the "Specified Sales and Use Tax Exemptions"), are repealed or amended in a manner that reduces or impairs the ability of the Company or its affiliates to utilize such tax exemptions.

(c) This MOA may be terminated by the Company effective upon five (5) business days' written notice to the State if, as of December 15, 2012, the Company or an affiliate has failed, despite the exercise of its commercially reasonable efforts, to negotiate and execute one or more power purchase agreements including terms and conditions relating to force majeure, outages and resupply rights, for the sale of at least 500 megawatts of the baseload electrical output of the Facility with one or more consumer-owned utilities or electrical companies as defined in RCW 80.80.010, with the Bonneville Power Administration, or with consumers located in Washington State, for a term of at least eight years ("Qualified Power Purchase Agreements"); provided, however, that during the five (5) business day period following notice of termination pursuant to this Section 8(c), the Parties may agree to extend the term of this MOA for an additional year, in which case this MOA may be terminated by the Company effective upon written notice to the State if, as of December 15, 2013, the Company or an affiliate has failed, despite the exercise of its commercially reasonable efforts, to negotiate and execute a Qualified Power Purchase Agreement. Subject to entry into a mutually acceptable confidentiality agreement, in connection with exercise of the termination right set forth in this Section 8(c), the Company shall provide the Governor of the State of Washington or a designee thereof the opportunity to review all provisions of such power purchase agreements that relate to quantity or duration of power sold and the location of the facility taking delivery of such power.

(d) This MOA may be terminated by the Company effective immediately upon written notice to the State if the Company (i) has reasonably determined that the cost of replacements, improvements, capital investments or additions required to continue to operate the Facility, combined with the Facility's operating costs, over the remaining life of the Facility will exceed the reasonably foreseeable financial return to the Company from continued operation of the Facility over such period and (ii) on the basis of such determination has permanently ceased power generation operations of the Facility.

9. Effect of Termination.

(a) In the event this MOA is terminated pursuant to Section 8(a) or 8(c), all amounts in the Accounts that have not been disbursed prior to the effectiveness of such termination, including for the avoidance of doubt all interest and gains earned on funds in the Accounts, shall be immediately returned to the Company. In the event this MOA is terminated pursuant to Section 8(b) and the repeal or amendment of the Specified Sales and Use Tax Exemptions is applied retroactively, an amount of cash in the Accounts equal to the marginal tax liability resulting from such retroactive application shall be immediately returned to the Company.

(b) In the event this MOA is terminated pursuant to Sections 8(a), 8(b), or 8(c), this MOA shall become void and of no further force or effect, with no liability or obligation hereunder on the part of either Party or any of their respective affiliates, officers, managers, directors, employees, members or shareholders, except that Sections 6, 8(a), 10, 11 and 12 shall survive such termination.

(c) In the event this MOA is terminated pursuant to Section 8(d), the Company shall have no obligation to make any annual payments after notice of termination and this MOA shall terminate upon the date that all funds in any Accounts have been applied to Grants or otherwise applied as provided herein. Upon such termination, this MOA shall become void and of no further force or effect, with no liability or obligation hereunder on the part of either Party or any of their respective affiliates, officers, managers, directors, employees, members or shareholders, except that Sections 8(a), 10, 11 and 12 shall survive such termination.

(d) Termination of this MOA pursuant to Section 8 shall not in any manner impact the validity or enforceability of contracts or agreements entered into by the Parties, other than this MOA, prior to the date of such termination, including Qualified Power Purchase Agreements or other agreements for the sale of electrical output of the Facility.

10. Records Review. The Company agrees that the State or its designated representatives shall have the right to review and, as to any non-confidential documents, to copy

any records and supporting documentation pertaining to the obligations of the Company under this MOA, including review of any records with respect to the Accounts. Prior to the termination of this MOA, the Company agrees to maintain all such records for a minimum of seven years, and following the termination of this MOA, the Company agrees to maintain all such records for a minimum of three years. The Company agrees to allow access to such records during normal business hours.

11. Enforcement.

(a) If there is a dispute between the Parties relating to or arising out of this MOA, the Parties agree to escalate the dispute for resolution by senior management of the Company and a senior advisor within the office of the Governor of the State of Washington, on behalf of the State.

(b) If the senior management of the Company and a senior advisor within the office of the Governor are unable to resolve the dispute, either Party may, by written notice to the other, submit such dispute to non-binding mediation pursuant to RCW 7.07. Mediation in accordance with this Section 11(b) will be conducted by a mediator mutually selected by the Parties; provided that if the Parties fail to mutually select a mediator within ten business days after such notice, then the Parties will follow the mediator selection procedures in accordance with the American Arbitration Association Commercial Arbitration Rules and Mediation Procedures. Each Party will bear its own costs in such mediation, and the mediator's fee will be divided evenly between the Parties.

(c) If the Parties are unable to resolve the dispute through mediation, either Party shall have the full right to seek resolution of the dispute through legal action. Any claims relating to a dispute arising out of this MOA that are not resolved in non-binding mediation as provided in Section 11(b) must be brought in the superior court for Lewis County, Washington or, to the extent a federal court has jurisdiction over such dispute, federal court located in Tacoma, Washington.

(d) Subject to Section 11(f), each Party shall be entitled to all rights and remedies provided by law or in equity. Each Party recognizes and agrees that monetary damages may not be a sufficient remedy for breaches of this MOA, and that each Party shall be entitled, without waiving any other rights or remedies, to such injunctive and/or other equitable relief to prevent a breach of the provisions of this MOA, or any part thereof, as may be deemed proper by a court of competent jurisdiction.

(e) In the event that a court of competent jurisdiction finds that the State has materially breached any of its covenants or agreements contained herein, the Company shall be entitled to rescission or termination of this MOA, and shall be entitled to immediate return of all amounts in the Accounts that have not been disbursed prior to the entry of the applicable court order, including for the avoidance of doubt all interest and gains earned on funds in the Accounts.

(f) Each Party acknowledges and agrees that any controversy which may arise under this MOA is likely to involve complicated and difficult issues, and therefore each

Party hereby irrevocably and unconditionally waives any right such Party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this MOA, or the transactions contemplated by this MOA.

12. Miscellaneous.

(a) *No Third Party Beneficiaries*. The provisions of this MOA are intended solely for the benefit of the Parties, and this MOA shall not confer any rights or remedies upon a person other than the Parties.

(b) *Successors and Assigns*. The provisions of this MOA will inure to the benefit of, and be binding on, the Parties and their successors and assigns.

(c) *Force Majeure*. No Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this MOA, for any failure or delay in fulfilling or performing any term of this MOA, when and to the extent such failure or delay is caused by or results from acts beyond the affected Party's reasonable control, including, without limitation: (i) acts of God; (ii) flood, fire, earthquake or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (iv) government order or law, (v) actions, embargoes or blockades in effect on or after the date of this MOA; (vi) action by any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local (each, a "Governmental Body"), or the failure by any Governmental Body to comply with statutorily mandated permitting time requirements; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns or other industrial disturbances; and (ix) interruption or curtailment of the transportation, distribution, storage or other delivery of coal for non-economic reasons (each, a "Force Majeure Event"); provided, that the State's obligations under this MOA may not be excused pursuant to the terms of subsections (iv) or (vi) of this Section 12(c) if the Force Majeure Event is caused by the action or inaction of the State of Washington. The Party suffering a Force Majeure Event shall give notice within seven days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue and shall use commercially reasonable efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

(d) *Governing Law*. This MOA shall be construed and administered in accordance with and governed by the laws of the State of Washington, and the Laws of the United States of America applicable therein.

(e) *Consent to Jurisdiction*. Subject to the provisions of Section 11, in connection with any disputes arising under this MOA, the Parties hereby submit to the jurisdiction of state court located in Lewis County, Washington.

(f) *Severability*. The Parties intend and believe that each provision of this MOA comports with all applicable local, state and federal laws and judicial decisions. However, if any term or other provision of this MOA other than Section 8(c) or 9(a) is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such term or provisions of this MOA to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the Parties that such term or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the other conditions and provisions of this MOA shall be construed as if such illegal, invalid, unlawful, void or unenforceable term or provision were not contained herein, and that the rights, obligations and interest of the Parties under the remainder of this MOA shall remain in full force and effect, provided that enforcement of such remainder of the MOA does not materially modify either Party's burdens and benefits under the MOA. Upon such determination that any term or other provision is illegal, invalid, unlawful, void or unenforceable as written, the Parties shall negotiate in good faith to modify this MOA so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner. If the Parties cannot agree to such a modification and a Party believes that it will suffer a material adverse effect due to the severance of one or more unenforceable terms or provisions, that Party may rescind or terminate this MOA upon notice to the other Party.

(g) *Entire Agreement.* This MOA constitutes the entire agreement between the Parties with respect to the subject matter hereof and no representations, promises or agreements, oral or otherwise, between the Parties not embodied herein shall be of any force or effect.

(h) *Reopener; Modification.* The Parties agree that, if either Party provides notice to the other Party requesting to meet to discuss modification of this MOA, the Parties shall meet and negotiate in good faith to modify the MOA to the mutual satisfaction of the Parties. Notwithstanding the foregoing, no provisions of this MOA may be changed, waived, discharged or terminated orally, but only by written instrument executed by both Parties.

(i) *Counterparts and Facsimile Signatures.* This MOA may be executed by the Parties through execution of identical counterpart agreements, each of which when executed shall constitute a single agreement. Facsimile signatures shall be deemed equivalent to original signatures.

(j) *Notice.* Any notice required from a Party under this MOA shall be written and shall be sent by personal delivery, messenger service, facsimile or nationally recognized courier service, with a separate copy of such notice to be delivered by e-mail, in each case to the address, facsimile number or e-mail address of such Party as set forth below. A Party may change its address for purposes of notice upon notice to the other Party. Any notice provided by a Party under this MOA shall be deemed received (i) on the date of delivery if delivered personally and/or by messenger service, (ii) on the date of confirmation of receipt of transmission by facsimile or (iii) one business day after being sent by nationally recognized courier service.

If to the State:	*If to Company:*
Governor's Executive Policy Office PO Box 43113 Olympia, WA 98501-3113 Attention: Keith Phillips Telephone No.: (360) 902-0630 Facsimile No.: (360) 586-8380 Email: Keith.Phillips@gov.wa.gov and Attorney General's Office, Ecology Division PO Box 40117 Olympia, WA 98502 Attention: Laura J. Watson Facsimile No.: (360) 586-6760 Email: LauraW2@atg.wa.gov	TransAlta Centralia Generation LLC c/o TransAlta USA, Inc. 724 Columbia Street NW, Suite 320 Olympia WA 98501 Attention: Lori Schmitt Telephone No.: (360) 742-3052 Facsimile No.: (360) 742-3093 Email: Lori_Schmitt@transalta.com with a copy (which shall not constitute notice to the Company) to: K&L Gates LLP 425 Fourth Avenue, Suite 2900 Seattle, WA 98104 Attention: Liz Thomas Facsimile No.: (206) 370-6190 Email: liz.thomas@klgates.com

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Agreement as of the day and year first set forth above.

THE STATE OF WASHINGTON

Christine Gregoire

By: Christine O. Gregoire
Title: Governor

THE COMPANY

TRANSALTA CENTRALIA GENERATION LLC

By: Paul Taylor
Its: President

EXHIBIT 6

FIRST AMENDMENT TO

MEMORANDUM OF AGREEMENT

This First Amendment ("Amendment") to the Memorandum of Agreement between the State of Washington and TransAlta Centralia Generation LLC dated December 23, 2011 (the "MOA") is made as of July 13, 2017 (the "Effective Date"), by and between the State of Washington, acting through and by Governor Jay Inslee (the "State"), and TransAlta Centralia Generation LLC, a Washington limited liability company (the "Company" and, together with the State, each a "Party" and together, the "Parties").

WHEREAS, acting pursuant to RCW 80.80.100, the State and the Company entered into the MOA, regarding the 1,340 megawatt coal-fired baseload electric generating facility located in Centralia, Washington, owned and operated by the Company, which utilizes two coal-fired generating boilers (the "Facility"), among other things, out of recognition that the Company's investments in emissions reductions for the Facility and early retirement of the Facility's two boilers pursuant to RCW 80.80.040 will substantially contribute to the State meeting its climate change policies and achieve greenhouse gas reductions under RCW 70.235.0201(1)(a);

WHEREAS, in exchange for the benefits of entering into the MOA, the Company also agreed, as more specifically described in the MOA and pursuant to the requirements of RCW 80.80.100, to provide financial assistance to constituencies affected by the closure of the Facility in the form of three independent grant funding accounts:

1) an account established to fund residential energy efficiency and weatherization measures for low-income and moderate-income residents of Lewis County and South Thurston County, Washington (the "Weatherization Fund");

2) an account established to fund education, retraining and economic development specifically targeting the needs of workers displaced from the Facility (the "Economic and Community Development Fund"); and

3) an account established to fund energy technologies with the potential to create considerable energy, air quality, haze or other environmental benefits located in or otherwise to the benefit of the State of Washington (the "Energy Technology Fund" and, together with the Weatherization Fund and the Economic and Community Development Fund, each a "Fund" and together, the "Funds").

WHEREAS, the Funds are each administered by a separate "Grant Review Board" made up of Board Members appointed by the entities set forth in the MOA, and each grant of financial assistance from a Fund requires, pursuant to the terms of the MOA, a supermajority vote of its Grant Review Board, defined to mean approval by a number of Board Members equal to a majority of Board Members on such Grant Review Board plus one;

WHEREAS, the Parties believe that the Grant Review Boards, as established by the MOA, have not resulted in the efficient administration of the Funds as originally intended; and

WHEREAS, in light of the foregoing, the Parties desire to amend the MOA to, among other things, modify (i) the number of Board Members appointed to each Grant Review Board; (ii) the entities authorized to designate such Board Members; and (iii) clarify the scope of proper purposes for which grants of financial assistance may be made from the Economic and Community Development Fund.

NOW THEREFORE, in consideration of the mutual benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Recitals; Obligations of the Company.** Subsection D(5) of the Recitals to the MOA is hereby deleted in its entirety and replaced with the following language:

(5) permanently cease coal-fired 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, in each case pursuant to the terms and subject to the conditions of this MOA.

2. **Recitals; Obligations of the State.** Subsection E(3) of the Recitals to the MOA is hereby deleted in its entirety and replaced with the following language:

(3) recognize investments by the Company in emissions reductions and confirm that based upon early cessation of coal-fired power generation operations of the Boilers, Facility power is a climate responsible transition product that will substantially contribute to the state meeting its climate change policies and achieve the greenhouse gas reductions in RCW 70.235.020(1)(a).

3. **Proper Grant Purposes.** Section 3(a)(ii) is hereby deleted in its entirety and replaced with the following section:

(ii) $1,666,666.67 annually to an account established to fund education, retraining, economic development, and community enhancement, from which Grants are to be made pursuant to the terms of the Account Agreement and Section 4 (the "Economic and Community Development Fund"), of which an aggregate amount of at least $5,000,000, calculated over the life of the Economic and Community Development Fund, shall be allocated to fund education, retraining and economic development specifically targeting the needs of workers displaced from the Facility including but not limited to direct support for displaced workers such as living expenses, supplies related to retraining or new employment, and financial assistance for the education or training of family members; and"

4. **Composition of Grant Review Boards.** Section 4(b) of the MOA is hereby deleted in its entirety and replaced with the following section:

(b) Initial Composition of Grant Review Boards. The Grant Review Boards shall initially consist of members (the "Board Members") as set forth below; provided that each Board Member shall have legal, financial, energy or other experience relevant to his or her service on such Grant Review Board, as determined by the party authorized to designate such Board Member pursuant this Section 4(b) in such party's reasonable discretion:

(i) The Grant Review Board with the authority to approve Grants from the Weatherization Fund (the "Weatherization Board"), the Grant Review Board with the authority to approve Grants from the Economic and Community Development Fund (the "Economic and Community Development Board"), and the Grant Review Board with the authority to approve Grants from the Energy Technology Fund (the "Energy Technology Board"), shall each consist of the following Board Members:

(A) one member selected by the Lewis County Economic Development Council;

(B) one local elected official from Lewis County, Washington, selected by the Lewis County Commissioners;

(C) one member selected by the Thurston-Lewis-Mason Central Labor Council;

(D) one member selected by the NW Energy Coalition;

(E) one employee of the Company, selected by the Company; and

(F) four representatives of the Company, selected by the Company.

(ii) Each entity authorized to designate a Board Member on a Grant Review Board shall designate the same Board Member for each Grant Review Board such that each Grant Review Board shall consist of the same Board Members. In the event that an entity authorized to designate a Board Member on a Grant Review Board removes or replaces such Board Member in accordance with Section 4(e), such removal or replacement shall also act to remove or replace such Board Member on each of the other Grant Review Boards, such that each Grant Review Board shall, at all times, consist of the same Board Members.

5. **Conflicts of Interest; Supermajority.** Section 4(d) of the MOA is hereby deleted in its entirety and replaced with the following section:

(d) Each Board Member shall have one vote, *provided, however*, that if any Board Member has a direct or indirect material interest in any Grant proposal or in any person or entity making a Grant proposal (an "Interested Board Member"), the Board Member must disclose the nature of such relationship to the applicable Grant Review Board, and no Board Member shall vote on any decision by a Grant Review Board for which such Board Member is an Interested Board Member. The affirmative vote of a number of Board Members equal to a majority of Board Members that are not Interested Board Members on any Grant Review Board plus one shall constitute a "Supermajority".

6. **Recognition of Investments in Emissions Reductions.** The second sentence in Section 7 of the MOA is hereby deleted in its entirety and replaced with the following:

Further, the State agrees to recognize the Company's cessation of coal fired generation at the Facility's boilers prior to the end of their useful lives by taking the early cessation into consideration during future environmental regulatory processes that may adversely affect the Facility's operations.

7. **No Other Amendments.** Except as otherwise set forth in this Amendment, the MOA shall not otherwise be amended and shall continue in full force and effect.

8. **Capitalized Terms.** All capitalized terms used in this Amendment but not otherwise defined herein shall have the meaning ascribed to them in the MOA.

9. **Counterparts.** This Amendment may be executed electronically in counterparts and delivered via email, each of which shall be deemed an original and all of which taken together shall constitute a single instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Memorandum of Agreement as of the day and year first set forth above.

THE STATE OF WASHINGTON

By: Jay Inslee
Title: Governor

THE COMPANY

TRANSALTA CENTRALIA GENERATION LLC

By: Bob Nelson
Title: President

EXHIBIT 7

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

IN THE MATTER OF AN ADMINISTRATIVE ORDER AGAINST: TransAlta Centralia Generation LLC	FIRST REVISION: ORDER NO. 6426

TO: Mr. Bob Nelson,
TransAlta Centralia Generation LLC
913 Big Hanaford Road
Centralia, WA 98531

This is an Administrative Order requiring your company to comply with WAC 173-400-151 by taking the actions that are described below. Chapter 70.94 RCW authorizes the Washington State Department of Ecology's Air Quality Program (Ecology) to issue Administrative Orders to require compliance with the requirements of Chapter 70.94 RCW and regulations issued to implement it.

Ecology has determined that portions of your facility are subject to the provisions of the state visibility protection program (WAC 173-400-151), which is implemented consistent with the requirements of the federal visibility protection program (40 CFR Part 51, Subpart P). The rules require that the State determine what technologies and level of emission control constitute Best Available Retrofit Technology (BART) for the eligible emission units at your facility. The rules also require the installation and use of those emission controls on the BART-eligible emission units. The emission controls are to be installed as expeditiously as possible, but in no event may the State allow them to start operation later than five years after the State's Regional Haze SIP amendment is approved by the United States Environmental Protection Agency (EPA).

FINDINGS

A. The TransAlta Centralia Generation LLC ("TransAlta") Centralia Power Plant is a coal fired power plant larger than 750 MW output subject to BART. The power plant is comprised of 2 identical coal fired units referred to as BW21 and BW22.

B. BART emission limitations for sulfur dioxide and particulate matter were determined by the Environmental Protection Agency in 2003. The Centralia Power Plant's Operating Permit incorporates the BART emission limitations determined by EPA.

C. BART for nitrogen oxides at the Centralia Power Plant is based on:

a. Use of selective noncatalytic reduction (SNCR) for nitrogen oxides control.
b. Use of low NO_x burners with separated and close coupled over fire air systems (aka LNC3).
c. Use of a sub-bituminous Powder River Basin coal or other coal that will achieve similar emission rates.

d. Use and installation of additional boiler heat recovery equipment and boiler tube cleaning equipment to maximize the extraction of fuel energy into boiler steam.

D. RCW 80.80.040 was amended in 2011 (Chapter 180, Laws of 2011) adding greenhouse gas emission requirements applicable to this facility that reduce the remaining useful life of each coal fired unit at the plant to approximately 8 and 13 years, starting from June 2011. The greenhouse gas emission requirements are:

a. Amendments to Chapter 80.80, Revised Code of Washington passed in 2011 require both coal fired units at the Centralia Power Plant to comply with the greenhouse gas emission performance standard requirements of Revised Code of Washington 80.80.040. One unit is required to comply by December 31, 2020. The other unit is required to comply by December 31, 2025. The plant owner, the Governor's office, and environmental organizations anticipate that compliance with this requirement will be accomplished by decommissioning the units.
b. The requirement to meet the greenhouse gas emission performance standard does not apply if the Department of Ecology determines that a state or federal requirement requires the installation of selective catalytic reduction for Nitrogen oxides control on the coal units.

Additional information and analysis is available in the BART Determination Support Document for the Centralia Power Plant, by the Washington State Department of Ecology, November 2008 (revised April 2010 and May 2011); and the BART Analysis for the Centralia Power Plant, June 2008 and the BART Analysis Supplement, December 2008, and supplemental information dated March 2010; and Chapter 180, Laws of 2011.

YOU ARE ORDERED: To install and operate in accordance with the following conditions:

BART Emission Limitations

1. Nitrogen Oxides Emissions

1.1. Starting no later than the dates in Condition 1.1.1 and 1.1.2, emissions of nitrogen oxides from the two coal-fired utility steam generating units (known as BW21 and BW22) at the Centralia Power Plant are limited to a maximum of:

1.1.1. From the date of issuance of this Order, until 30 operating days after December 31, 2012, the nitrogen oxides emission limitation is 0.24 lb/MMBtu, 30 operating day rolling average, both units averaged together, including all emissions during unit start-up and shut-down.

1.1.2. Beginning on the 31st operating day after December 31, 2012, the nitrogen oxides emission limitation is 0.21 lb/MMBtu, 30 operating day rolling average, both units averaged together, including all emissions during unit start-up and shut-down.

1.1.3. The 30 day rolling average will be determined per Condition 7.

1.2. Beginning January 1, 2013, injection of ammonia or urea to control nitrogen oxides from a specific boiler must:

1.2.1. Commence when the flue gas at the point(s) of injection in the boiler has reached the minimum SNCR operating temperature as identified by the system vendor in the system specific operation manual.

1.2.2. End no sooner than the time coal is no longer introduced to the furnace of the boiler or the flue gas temperature at the injection point(s) is below the minimum SNCR operating temperature.

1.3. Compliance with the nitrogen oxides emission limitation will be determined by use of a continuous emission monitoring system meeting the requirements of 40 CFR Part 75.

1.4. Coal used is required to be a sub-bituminous coal from the Powder River Basin or other coal that will achieve similar emission rates.

1.5. Nitrogen oxides emission reduction through the use of SNCR will be optimized as required in Condition 5. At the conclusion of the SNCR optimization study, the nitrogen oxides emission limitation contained in Condition 1.1.2 may be revised based on the results of the SNCR optimization study.

2. Ammonia emissions

2.1. Starting no later than the date in Condition 2.2, emissions of ammonia from the two coal-fired utility steam generating units at the Centralia Power Plant are limited to a maximum of:

2.1.1. Starting on January 1, 2013, the ammonia emission limitation is 10 parts per million, dry volume (ppmdv) 30 operating day rolling average, both units averaged together.
EXCEPTION: During the portion of the optimization study directed by Condition 5.2.3.1, the ammonia emission limitation is 20 ppmdv daily average, both units averaged together.

2.1.2. In the event that during a given day, only one unit operated, the average of both units will be the calendar day average of the operating boiler. The emission rate of zero for the unit that did not operate must not be included in calculating the average emissions.

2.2. Determination of compliance with the 30 operating day rolling average for ammonia will commence at midnight on the end of the 30th operating day after January 1, 2013.

2.3. Ammonia emission resulting from the use of SNCR will be optimized as required in Condition 5. The ammonia emission limitation contained in Condition 2.1.1 may be revised based on the results of the SNCR optimization study.

Schedule for Compliance

3. Compliance with the 30 operating day rolling average nitrogen oxides limitations begin on the dates given in Condition 1.1.1 and 1.1.2. Compliance with the 30 operating day rolling average ammonia emission limitations begins on the date given in Condition 2.1.

4. Coal units BW21 and BW22 will permanently cease burning coal and be decommissioned as follows:

   4.1. One coal fired unit must permanently cease burning coal no later than December 31, 2020.

   4.2. The second coal fired unit must permanently cease burning coal no later than December 31, 2025.

   4.3. Conditions 4.1 and 4.2 do not apply in the event the Department of Ecology determines as a requirement of state or federal law or regulation that the selective catalytic reduction technology must be installed on either coal fired unit.

Nitrogen Oxides and Ammonia Reduction Optimization

5. The operation of the selective noncatalytic reduction (SNCR) system for control of nitrogen oxides will be optimized to produce both the lowest nitrogen oxides emission rate and the lowest ammonia emission concentration possible at the same time.

   5.1. The nitrogen oxides control system will be optimized to achieve both the lowest 30 operating day average pound nitrogen oxides/MMBtu emission rate and the lowest 30 day average concentration of ammonia in the flue gas that is reasonably achievable without significant adverse effect on mercury capture, boiler cleaning processes (aka soot blowing) or byproduct salability .

   5.2. To achieve the goal of Condition 5.1, The owner of the Centralia Power Plant will:

      5.2.1. Develop an SNCR optimization plan and submit it by April 30, 2013 to Ecology and the SWCAA for their joint review and acceptance.

         5.2.1.1.A draft optimization plan will be submitted to Ecology and SWCAA by January 30, 2013 for their review and comment. Ecology and/or SWACAA will respond with written comments within 45 days of receipt of the draft optimization plan. If a request for a copy of this draft optimization plan is received, the agency receiving the request will provide the requester a copy of the draft optimization plan.

5.2.1.2. TransAlta will submit a final optimization plan reflecting all comments provided by Ecology and SWCAA. The plan must be submitted no later than April 30, 2013. The plan will be deemed to be accepted and the owner will immediately implement the plan if Ecology and/or SWCAA do not respond by May 30, 2013. If TransAlta, Ecology, or SWCAA receive a request for a copy of the final optimization plan, the entity receiving the request will provide a copy of the optimization plan to the requestor.

5.2.2. The optimization plan will:

5.2.2.1. Provide for all optimization testing to be complete and a report on the findings submitted to Ecology and SWCAA not later than December 31, 2014.
5.2.2.2. Identify the start and end dates of the optimization study.
5.2.2.3. Describe the optimization process to be followed, including:
5.2.2.3.1. The overall schedule.
5.2.2.3.2. The specific dates for each stage of the optimization program, especially the start and end dates of the testing to determine how low of a nitrogen oxides emission rate can be achieved per condition 5.2.3.1.
5.2.2.3.3. Whether testing will be done on only one boiler at a time or both together.
5.2.2.4. Identify acceptable maximum ammonia content of fly ash used for cement and gypsum used to produce wallboard, including the basis for those maximums.
5.2.2.5. Identify all additional flue gas monitoring that will be used to determine optimum urea or ammonia injection rates for maximum nitrogen oxides reduction.
5.2.2.6. Evaluate the effect of ammonia injection on mercury capture effectiveness, fly ash ammonia content, and gypsum product ammonia content. This includes a description of the sampling and analysis processes.

5.2.3. The focus of the optimization plan, is to determine :

5.2.3.1. The maximum nitrogen oxides reduction possible with an ammonia emission rate of up to 20 ppmdv, daily average, each unit individually;
5.2.3.2. The maximum nitrogen oxides reduction with which compliance can be reasonably achieved within an ammonia emission rate of 5 ppm; and
5.2.3.3. Determine the lowest nitrogen oxides emission rate reasonably achievable that coincides with the minimum ammonia emission rate.
5.2.3.4. The ability to achieve a nitrogen oxides emission rate of less than 0.19 lb/MMbtu, 30 operating day rolling average, each unit individually.

5.3. Ecology and SWCAA will review the optimization study report for 60 days. At the end of the 60 days the two agencies will either request TransAlta make changes to the report or accept the report in writing.

5.4. Within 90 days of receiving written acceptance of the optimization study report by Ecology and SWCAA, the plant operations and maintenance manual(s) will be amended to include the operating parameters reflecting the optimized ammonia or urea injection rates developed.

5.5. Revisions to this BART Order

5.5.1. Within 30 days of acceptance of the optimization study report by Ecology and SWCAA, TransAlta will submit a request to Ecology to revise the emission limits in Conditions 1.1.2 and 2.1.1 to reflect the results of the optimization.

5.5.2. Upon receipt of the request to revise the emission limits, or within 60 days of acceptance of the optimization report by Ecology and SWCAA, Ecology will proceed to revise the emission limitations in Conditions 1.1.2 and 2.1.1 to reflect the results of the optimization study. Other approval conditions, including this condition, may be revised based on the final emission limitations.

5.5.3. The nitrogen oxides limitation will not be raised above the level in Condition 1.1.2 as it existed on the date of issuance of this Revised Order.

5.5.4. The ammonia limitation will not be raised above the level in Condition 2.1.1 as it existed on the date of issuance of this Revised Order.

Monitoring and Recordkeeping Requirements

6. Ammonia:

6.1. Ammonia emissions for compliance will be monitored by means of periodic emissions testing utilizing Bay Area Air Quality Management District (BAAQMD) Method ST1B or Environmental Protection Agency Conditional Test Method 027 (CTM-027). The sampling point will be in the stack following the wet scrubber. Stack testing shall occur on the following frequency:

6.1.1. Testing shall occur once each calendar quarter, with no consecutive tests less than 80 or more than 110 calendar days apart.

6.1.2. If 3 consecutive tests are each less than the ammonia limitation, then the testing frequency reduces to once every 6 calendar months, provided the nitrogen oxides emission limit is complied with during the test.

6.1.3. If, after there are 3 consecutive tests less than the ammonia limitation, the next 2 consecutive tests are less than 50% of the ammonia emission limitation, then the testing frequency reduces to once annually, provided the nitrogen oxides emission limit is complied with during the tests.

6.1.4. If at any time there is a test showing emissions above the emission limitation, then the testing frequency reverts to quarterly until the requirements in Conditions 6.1.2 and 6.1.3 are met.

6.1.5. The ammonia concentration measured during the periodic emissions testing is the 30 operating day rolling average value used for compliance starting on the date of the completion of the test until the completion of the next required periodic emission test.

6.1.6. During the ammonia testing using BAAQMD Method ST1B (or CTM-027), the 30 rolling ammonia emission limit is to be treated as an hourly average for the purpose of Conditions 6.1. and 6.2.

6.2. For use as a routine indicator of compliance between the tests required in Condition 6.1, ammonia emissions will be estimated. The estimate will be based on a calculation which uses as inputs the reagent concentration and flow rate, a calculation or measurement of the uncontrolled nitrogen oxides rate, the continuous nitrogen oxides monitoring results measured in the stack, and other parameters as necessary.

6.3. At TransAlta's option, an ammonia continuous monitoring system may be used instead of periodic emissions tests. A continuous ammonia monitoring system used for compliance must meet the monitor location requirements contained in 40 CFR Part 60 Appendix B, Performance Specification 1 or 2, and the quality assurance and quality control requirements of 40 CFR Part 60 Appendix F as applicable.

7. Nitrogen oxides monitoring and averaging

7.1. For any hour in which coal is combusted in a unit, the owner/operator of each unit shall calculate the hourly nitrogen oxides concentration in lb/MMBtu at the CEMS installed in accordance with the requirements of 40 CFR Part 75. The 30-day average lb/MMBtu rate is calculated by summing the hourly emissions in pounds (unit lb/MMBtu times unit heat input) from all operating units and dividing that by the sum of the hourly heat inputs in million Btu for all operating units. At the end of each boiler operating day, the owner/operator shall calculate and record a new 30-day rolling average emission rate in lb/MMBtu from all valid hourly data for that boiler operating day and the previous 29 successive boiler operating days.

7.2.). An hourly average nitrogen oxides emission rate is valid only if the minimum number of data points, as specified in 40 CFR Part 75, is acquired as necessary to calculate nitrogen oxides emissions and heat rate.

7.3. Data reported to meet the requirements of this section shall not include data substituted using the missing data substitution procedures of subpart D of 40 CFR part 75, nor shall the data have been bias adjusted according to the procedures of 40 CFR part 75.

7.4. A boiler operating day is a 24-hour period between 12 midnight and the following midnight during which coal is combusted at any time in the boiler. It is not necessary for coal to be combusted for the entire 24-hour period.

8. Ammonia emission limitation compliance based on periodic stack sampling and parameter monitoring.

8.1. Compliance with the ammonia emission limitation is demonstrated by meeting the limitation during the stack testing period. The average of the 3 discrete sampling runs will be used to determine compliance with the ammonia emission limitation until the next periodic stack testing occurs.

8.2. During each periodic stack test on each boiler, the ammonia or urea reagent injection rate and the ammonia to nitrogen oxides ratio for each sampling run shall be determined, recorded and reported as part of the testing report.

8.3. During plant operation between periodic stack testing, compliance with the ammonia emission limitation will be indicated by:

8.3.1. Injecting ammonia or urea reagent at the injection rate for ammonia or urea reagent used during the most recent stack sampling at the appropriate operating rate; and

8.3.2. Meeting the nitrogen oxides emission limit.

9. Coal Quality Monitoring

9.1. Coal nitrogen and sulfur content will be determined by taking a sample of the coal from the transfer belts between the coal pile and coal silos. An alternate location that provides a sample representative of the coal fired by the boilers may be proposed to Ecology by TransAlta for approval for use.

9.2. A sample of coal for nitrogen and sulfur content analysis will be taken at least once per week when at least one coal fired boiler is in operation. The sample must be taken following ASTM Method D2234/D2234M-07.

9.3. Coal nitrogen and sulfur content will be determined using ASTM Method D3176-89 (as reapproved in 2002). Note, other ASTM methods related to sample collection and preparation may need to be followed in order to perform this test.

9.4. As an alternate to coal nitrogen and sulfur content testing at the plant, certified results of testing by the coal mine operator of coal actually sent to the Centralia Power Plant may be used. Testing frequency should be no less frequent than required above.

Reporting Requirements

10. A letter reporting of achievement of each compliance date in the schedule in Conditions 3 and 4 must be submitted to the Washington State Governor, Ecology, and SWCAA within 30 days of achieving the milestone.

11. Emissions above the emission limitations in this order due to malfunctions must, at a minimum, be documented in writing and submitted to SWCAA and Ecology with the emissions monitoring data per Condition 12. Additional recordkeeping and notifications related to excess emissions may also be required by SWCAA or Ecology regulation. Excess emissions that TransAlta believes are unavoidable must be documented as required in WAC 173-400-107 (or section 109 after that section is approved into the Washington SIP) and SWCAA's unavoidable excess emissions requirements.

12. Emission monitoring data will be reported to Ecology and to the SWCAA.

12.1. Continuous emission monitoring reports will be submitted within 30 days after the end of each calendar quarter. The reports must contain the following information:

12.1.1. The 30 operating day rolling average pound nitrogen oxides/MMBtu for each operating day in the reporting period. The 30 day rolling average nitrogen oxides emission rate shall be reported in units of lb/MMBtu, utilizing at least 2 significant figures;

12.1.2. The cumulative short tons of nitrogen oxides per unit and combined that has been emitted during the current calendar year. The cumulative tons shall be rounded to the nearest ton;

12.1.3. Periodic stack testing for ammonia emissions shall be submitted within 45 days of completion of the test.

If TransAlta elects to use continuous emission monitoring of ammonia instead of periodic stack testing, the quarterly report shall contain the 30 operating day rolling average ammonia concentration for both units averaged together for each operating day in the reporting period. Average ammonia concentrations shall be reported in units of ppmdv to 2 significant figures.

12.1.4 For each hour of boiler operation, the ammonia or urea injection rate in units of pounds of ammonia or urea/hour, , the boiler temperature at the point of injection, injection level in use, and the estimated ammonia emission concentration.

12.2. The emission monitoring report will be sent to SWCAA and Ecology electronically in a format acceptable to the SWCAA. Reporting to Ecology under this condition will end January 1, 2018.

13. Coal nitrogen and sulfur content information must be submitted to SWCAA and Ecology within 30 days of the end of each calendar quarter.

13.1. Coal nitrogen and sulfur reporting must include the date each coal sample is taken, the nitrogen and sulfur content of each coal sample analyzed, the average sulfur and nitrogen concentrations for the calendar quarter, and the maximum and minimum concentrations found during the calendar quarter.

13.2. After June 30, 2011, the report will include the rolling annual averages for nitrogen and sulfur content plus the maximum and minimum concentrations in the prior year.

13.2.1. The weekly coal sample test results will be retained for at least 5 years and available for review by Ecology or SWCAA upon request.

13.2.2. Coal quality reporting to Ecology will end the earlier of:

13.2.2.1. January 1, 2018, or
13.2.2.2. The decommissioning of either unit BW21 or BW22, or
13.2.2.3. The date monitoring of the quality of coal fired in units BW21 and BW22 is required by a regulation issued by EPA under the authority of Section 112 of the federal Clean Air Act.

Failure to comply with this Order may result in the issuance of civil penalties or other actions, whether administrative or judicial, to enforce the terms of this Order. Ecology shall enforce the terms of this Order only until such time as SWCAA incorporates the terms of the Order into the Centralia Power Plant's Air Operating Permit or except as provided by RCW 70.94.785.

You have a right to appeal this Order. To appeal you must:

- File your appeal with the Pollution Control Hearing Board within 30 days of the "date of receipt" of this document. Filing means actual receipt by the Board during regular office hours.
- Serve your appeal on the Department of Ecology within 30 days of the "date of receipt" of this document. Service may be accomplished by any of the procedures identified in WAC 371-08-305(10). "Date of receipt" is defined at RCW 43.21B.001(2).

If you appeal you must:

- Include a copy of this document with your Notice of Appeal.
- Serve and file your appeal in paper form; electronic copies are not accepted.

To file your appeal with the Pollution Control Hearing Board:

Mail appeal to:		Deliver your appeal in person to:
The Pollution Control Hearings Board PO Box 40903 Olympia, WA 98504-0903	OR	The Pollution Control Hearings Board 4224–6th Avenue SE Rowe Six, Bldg 2 Lacey, WA 98503

To serve your appeal on the Department of Ecology:

Mail appeal to:		Deliver your appeal in person to:
Department of Ecology Appeals Coordinator PO Box 47608 Olympia, WA 98504-7608	OR	Department of Ecology Appeals Coordinator 300 Desmond Drive SE Lacey, WA 98503

And send a copy of your appeal packet to:

Alan Newman
Department of Ecology
Air Quality Program
PO Box 47600
Olympia, WA 98504-7600

For additional information, go to the Environmental Hearings Office website at http://www.eho.wa.gov.

To find laws and agency rules, go to the Washington State Legislature website at http://www1.leg.wa.gov/CodeReviser.

Your appeal alone will not stay the effectiveness of this Order. Stay requests must be submitted in accordance with RCW 43.21B.320. These procedures are consistent with Chapter 43.21B RCW.

DATED this 13 day of Dec, 2011 at Olympia, Washington.

Jeff Johnston, Ph.D.
Manager, Science and Engineering Section
Department of Ecology
Air Quality Program

EXHIBIT 8

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

IN THE MATTER OF AN ADMINISTRATIVE ORDER AGAINST: TransAlta Centralia Generation LLC	]]]]]	 SECOND REVISION: ORDER NO. 6426

TO: Mr. Mickey Dreher TransAlta Centralia Generation LLC
913 Big Hanaford Road
Centralia, WA 98531

This is an Administrative Order requiring your company to comply with WAC 173-400-151 by taking the actions that are described below. Chapter 70.94 RCW authorizes the Washington State Department of Ecology's Air Quality Program (Ecology) to issue Administrative Orders to require compliance with the requirements of Chapter 70.94 RCW and regulations issued to implement it.

Ecology has determined that portions of your facility are subject to the provisions of the state visibility protection program (WAC 173-400-151), which is implemented consistent with the requirements of the federal visibility protection program (40 CFR Part 51, Subpart P). The rules require that the State determine what technologies and level of emission control constitute Best Available Retrofit Technology (BART) for the eligible emission units at your facility. The rules also require the installation and use of those emission controls on the BART-eligible emission units. The emission controls are to be installed as expeditiously as possible, but in no event may the State allow them to start operation later than five years after the State's Regional Haze SIP amendment is approved by the United States Environmental Protection Agency (EPA).

FINDINGS

A. The TransAlta Centralia Generation LLC ("TransAlta") Centralia Power Plant is a coal fired power plant larger than 750 MW output subject to BART. The power plant is comprised of two identical coal fired units referred to as BW21 and BW22.

B. BART emission limitations for sulfur dioxide and particulate matter were determined by the Environmental Protection Agency in 2003. The Centralia Power Plant's Operating Permit incorporates the BART emission limitations determined by EPA.

C. BART for nitrogen oxides at the Centralia Power Plant is based on:

   a. Utilization of the selective non-catalytic reduction (SNCR) for nitrogen oxides control as appropriate.
   b. Low NO_x burners with separated and close coupled over fire air systems (aka LNC3).

c. Utilization of the Combustion Optimization System with Neural Network on BW22 as appropriate.
d. Use and installation of additional boiler heat recovery equipment and boiler tube cleaning equipment to maximize the extraction of fuel energy into boiler steam.

D. RCW 80.80.040 was amended in 2011 (Chapter 180, Laws of 2011) adding greenhouse gas emission requirements applicable to this facility that reduce the remaining useful life of each coal fired unit at the plant to approximately 8 and 13 years, starting from June 2011. The greenhouse gas emission requirements are:

a. Amendments to Chapter 80.80, Revised Code of Washington passed in 2011 require both coal fired units at the Centralia Power Plant to comply with the greenhouse gas emission performance standard requirements of Revised Code of Washington 80.80.040. One unit is required to comply by December 31, 2020. The other unit is required to comply by December 31, 2025.

b. The requirement to meet the greenhouse gas emission performance standard does not apply if the Department of Ecology determines that a state or federal requirement requires the installation of selective catalytic reduction (SCR) for nitrogen oxides control on the coal units.

Additional information and analysis is available in the BART Determination Support Document for the Centralia Power Plant, by the Washington State Department of Ecology, November 2008 (revised April 2010 and May 2011); and the BART Analysis for the Centralia Power Plant, June 2008 and the BART Analysis Supplement, December 2008, and supplemental information dated March 2010; and Chapter 180, Laws of 2011.

YOU ARE ORDERED: To install and operate in accordance with the following conditions:

BART Emission Limitations

1. Nitrogen Oxides emissions

1.1. Emissions of nitrogen oxides from the two coal-fired utility steam generating units (known as BW21 and BW22) at the Centralia Power Plant are limited, from the date of issuance of this Order, to:

1.1.1. 0.21 lb/MMBtu on the unit that does not have the Combustion Optimization System with Neural Network installed. This is a 30 operating day rolling average and includes all emissions during unit start-up and shut-down.

1.1.2. 0.18 lb/MMBtu on the unit that does have the Combustion Optimization System with Neural Network. This is a 30 operating day rolling average and includes all emissions during unit start-up and shut-down.

1.1.3. 0.18 lb/MMBtu on the unit that continues coal fired power generation starting January 1, 2021.

1.2. The 30 day rolling average will be determined per Condition 5.

1.3. TransAlta may use a variety of means as necessary to control emissions of nitrogen oxides to meet the prescribed NOx limit for BW21 and BW22 including the Combustion Optimization System with Neural Network, the SNCR, Low NOx Burners, boiler control, variety (source) of coal, or any combination thereof. Compliance with the nitrogen oxides emission limitation will be determined by use of a continuous emission monitoring system meeting the requirements of 40 CFR Part 75.

2. Ammonia emissions

2.1. Starting no later than the effective date of this order, emissions of ammonia from the two coal-fired utility steam generating units at the Centralia Power Plant are limited to a maximum of:

2.1.1. 10 parts per million, dry volume (ppmdv). This is a 30 operating day rolling average of both units averaged together.

2.1.2. In the event that during a given day, only one unit is operated, the average of both units will be the calendar day average of the operating boiler. The emission rate of zero for the unit that did not operate must not be included in calculating the average emissions.

2.2. The injection rate of urea (as the source of ammonia) to meet the nitrogen oxides emission in Section 1.1.1 and 1.1.2 is solely determined by TransAlta.

Schedule for Compliance

3. Coal units BW21 and BW22 will permanently cease coal-fired power generation operations as follows:

3.1. One of the units must cease no later than December 31, 2020.

3.2. The other unit must cease no later than December 31, 2025.

3.3. The unit that continues coal-fired power generation operations starting January 1, 2021, must comply with section 1.1.3.

3.4. Conditions 3.1 and 3.2 do not apply in the event the Department of Ecology determines as a requirement of state or federal law or regulation that the selective catalytic reduction technology must be installed on either coal fired unit.

[First amendment of the December 23, 2011, Memorandum of Agreement between the State of Washington and TransAlta Centralia Generation LLC, dated July 13, 2017.]

Monitoring and Recordkeeping Requirements

4. Ammonia

TransAlta is required to meet the nitrogen oxides emission limits of 1.1.1 and 1.1.2. Ammonia monitoring is only required when urea injection is used to meet those limits. The entirety of Section 4 applies in any calendar year (CY) in which urea injection is used by TransAlta to meet the emission limits of 1.1.1 or 1.1.2. TransAlta is not required to perform any of the monitoring and recordkeeping requirements in Section 4 if urea is not injected in the CY.

4.1. Ammonia emissions for compliance will be monitored by means of periodic emissions testing utilizing Bay Area Air Quality Management District (BAAQMD) Method ST1B or Environmental Protection Agency Conditional Test Method 027 (CTM-027). The sampling point will be in the stack following the wet scrubber. Stack testing shall occur on the following frequency:

4.1.1. Testing shall occur once each calendar year if the ammonia feed-rate exceeds 1.5 gpm during that calendar year. Testing will be performed while the SNCR is in operation and the feed-rate is above 1.5 gpm during testing, with no consecutive tests less than 80 or more than 110 calendar days apart.

4.1.2. If two consecutive tests are each more than the ammonia limitation (in 2.1.1), then the testing frequency decreases to once every six calendar months, provided the nitrogen oxides emission limit is complied with during the test.

4.1.3. If, after there are three consecutive tests less than the ammonia limitation, the next two consecutive tests are less than 50% of the ammonia emission limitation, then the testing frequency reduces to once annually, provided the nitrogen oxides emission limit is complied with during the tests.

4.1.4. The ammonia concentration measured during the periodic emissions testing is the 30 operating day rolling average value used for compliance starting on the date of the completion of the test until the completion of the next required periodic emission test.

5. Nitrogen oxides monitoring and averaging

5.1. For any hour in which coal is combusted in a unit, the owner/operator of that unit shall calculate the hourly nitrogen oxides concentration in lb/MMBtu at the CEMS installed in accordance with the requirements of 40 CFR Part 75. The 30-day average lb/MMBtu rate is calculated by summing the hourly emissions in pounds (unit lb/MMBtu multiplied by unit heat input) from that operating unit and dividing that by the sum of the hourly heat inputs in million Btu for that operating unit. At the end of that boiler's operating day, the owner/operator shall calculate and record a new 30-day rolling average emission rate in lb/MMBtu from all valid hourly data for that boiler's operating day and the previous 29 successive boiler operating days.

5.2. An hourly average nitrogen oxides emission rate is valid only if the minimum number of data points, as specified in 40 CFR Part 75, is acquired as necessary to calculate nitrogen oxides emissions and heat rate.

5.3. Data reported to meet the requirements of this section shall not include data substituted using the missing data substitution procedures of subpart D of 40 CFR part 75, nor shall the data have been bias adjusted according to the procedures of 40 CFR part 75.

5.4. A boiler operating day is a 24-hour period between 12 midnight and the following midnight during which coal is combusted at any time in the boiler. It is not necessary for coal to be combusted for the entire 24-hour period.

Reporting Requirements

6. A letter reporting achievement of each compliance date in the schedule in Condition 3 must be submitted to the Washington State Governor, Ecology, and SWCAA within 30 days of achieving the milestone.

7. A letter reporting TransAlta used urea injection must be sent to Ecology and SWCAA within 30 days of the first urea injection occurring during each calendar year. The letter must contain, at a minimum, the dates of urea injection, urea concentration, and the urea injection rate. No letter is required for any calendar year in which no urea injection occurred.

8. Emissions above the emission limitations in this order due to malfunctions must, at a minimum, be documented in writing and submitted to SWCAA and Ecology with 30 days after the end of each calendar quarter. Additional recordkeeping and notifications related to excess emissions may also be required by SWCAA or Ecology regulation. Excess emissions that TransAlta believes are unavoidable must be documented as required in WAC 173-400-107 (or section 109 after that section is approved into the Washington SIP) and SWCAA's unavoidable excess emissions requirements.

9. Emission monitoring data will be reported to Ecology and to the SWCAA.

9.1. Continuous emission monitoring reports will be submitted within 30 days after the end of each calendar quarter. The reports must contain the following information:

9.1.1. The 30 operating day rolling average pound nitrogen oxides/MMBtu for each operating day in the reporting period. The 30 day rolling average nitrogen oxides emission rate shall be reported as lb/MMBtu, with at least two significant figures;

9.1.2. The cumulative short tons of nitrogen oxides per unit and for both units combined that has been emitted during the current calendar year. The cumulative tons shall be rounded to the nearest ton;

9.1.3. The results of Section 4 testing for ammonia emissions, if they are required, shall be submitted within 45 days of completion of the test.

9.2. The emission monitoring report will be sent to SWCAA and Ecology electronically in a format acceptable to SWCAA.

Failure to comply with this Order may result in the issuance of civil penalties or other actions, whether administrative or judicial, to enforce the terms of this Order. Ecology shall enforce the terms of this Order only until such time as SWCAA incorporates the terms of the Order into the Centralia Power Plant's Air Operating Permit or except as provided by RCW 70.94.785.

You have a right to appeal this Order. To appeal you must:

- File your appeal with the Pollution Control Hearing Board within 30 days of the "date of receipt" of this document. Filing means actual receipt by the Board during regular office hours.
- Serve your appeal on the Department of Ecology within 30 days of the "date of receipt" of this document. Service may be accomplished by any of the procedures identified in WAC 371-08-305(10). "Date of receipt" is defined at RCW 43.21B.001(2).

If you appeal you must:

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To file your appeal with the Pollution Control Hearing Board:

Mail appeal to:		Deliver your appeal in person to:
The Pollution Control Hearings Board PO Box 40903 Olympia, WA 98504-0903	OR	The Pollution Control Hearings Board 1111 Israel Rd. SW, STE 301 Tumwater, WA 98501

To serve your appeal on the Department of Ecology:

Mail appeal to:

Department of Ecology
Appeals Coordinator
PO Box 47608
Olympia, WA 98504-7608

OR

Deliver your appeal in person to:

Department of Ecology
Appeals Coordinator
300 Desmond Drive SE
Lacey, WA 98503

And send a copy of your appeal packet to:

Philip Gent
Department of Ecology
Air Quality Program
PO Box 47600
Olympia, WA 98504-7600

For additional information, go to the Environmental Hearings Office website at http://www.eho.wa.gov.

To find laws and agency rules, go to the Washington State Legislature website at http://www1.leg.wa.gov/CodeReviser.

Your appeal alone will not stay the effectiveness of this Order. Stay requests must be submitted in accordance with RCW 43.21B.320. These procedures are consistent with Chapter 43.21B RCW.

DATED this _29th__ day of _July_, 2020 at Olympia, Washington.

Martha Hankins

Martha Hankins
Manager, Policy and Planning Section
Department of Ecology
Air Quality Program

EXHIBIT 9

Technical Support Document for Second BART (Best Available Retrofit Technology) Order Revision

TransAlta Centralia Generation Plant

July 2020

Publication and Contact Information

For more information, contact:

Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600
360-407-6800

Washington State Department of Ecology — www.ecology.wa.gov

- Headquarters, Olympia 360-407-6000
- Northwest Regional Office, Bellevue 425-649-7000
- Southwest Regional Office, Olympia 360-407-6300
- Central Regional Office, Union Gap 509-575-2490
- Eastern Regional Office, Spokane 509-329-3400

ADA Accessibility

To request ADA accommodation, email phil.gent@ecy.wa.gov or call 360-407-6810, 711 (relay service), or 877-833-6341 (TTY).

July 2020

Technical Support Document for Second BART (Best Available Retrofit Technology) Order Revision

TransAlta Centralia Generation Plant

Air Quality Program

Washington State Department of Ecology

Olympia, Washington

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Executive Summary

TransAlta requested a revision to their existing BART order to mitigate fouling of their electrostatic precipitators (ESPs) with ammonia sulfate. In 2019, TransAlta experienced emission opacity readings that would have exceeded the opacity limits if TransAlta had not reduced plant capacity to compensate. The proposed mitigation is for TransAlta to install and operate a Combustion Optimization System with Neural Network (Neural Net) and have a lower nitrogen oxides (NOx) emission limit on the unit that is operational beyond 2020.

TransAlta was previously required to install Selective Non-Catalytic Reduction (SNCR) for control of nitrogen oxides emitted from their Centralia Power Plant. As a condition of the BART order issued to the facility, an optimization study was required to be performed and the results of that study implemented by the facility. After conducting the optimization study, TransAlta discovered that the ESPs were fouled from ammonia use required in the current BART order (Revision 1).

Southwest Clean Air Agency agreed to use enforcement discretion in 2019 on the urea injection rate while TransAlta was tuning the Neural Net. At the end of Calendar Year 2019, TransAlta had enough data to agree that the Neural Net system would be able to meet a 0.18 lb/MMBtu emission standard. TransAlta submitted a request to revise their BART order in January 2020.

TransAlta, Southwest Clean Air Agency, and Ecology agreed on the conditions for Revision 2 for the BART order to include lower nitrogen oxides limits, changes to the use and monitoring of ammonia, and removal of the requirement to analyze the coal sulfur and nitrogen content.

Reason for this Revision

Trans Alta requested a revision to their existing BART order to mitigate fouling of their electrostatic precipitators (ESPs) with ammonia sulfate. The proposed mitigation is for TransAlta to install in one boiler unit a Combustion Optimization System with Neural Network (Neural Net) in order to reduce the urea injection rate (the source of the ammonia). The other boiler unit is currently slated to cease coal-fired power generation on December 31, 2020 and is not scheduled to have the Neural Net installed. Ecology and Southwest Clean Air Agency are willing to accept a lower urea injection rate if TransAlta is willing to accept a lower nitrogen oxides emission limit. Ecology has determined that the nitrogen oxides reduction resulting from lowering the emission limit to 0.18 lb/MMBtu nitrogen oxides will be slightly beneficial for the environment and reduce regional haze.

Ecology will modify the BART order by:

- Lowering the nitrogen oxides emission limit on one unit to 0.18 lb/MMBTU
- Requiring the unit that continues to provide coal-fired power production after 2020 to meet the 0.18 lb/MMBtu nitrogen oxides.
- Changing the language to "Permanently cease coal-fired 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" to match the new language in the MOA.
- Removing the requirement to sample the coal for nitrogen and sulfur content.
- Removing the requirement to report to Southwest Clean Air Agency results of coal test.
- Removing the requirement of a specific urea injection rate to allow TransAlta to inject urea as required (or if required) to meet the new emission standard.
- Changing the requirement for ammonia emission monitoring only to require monitoring when using a urea injection rate of greater than 1.5 gallons per minute

Ecology is also modifying the compliance schedule to eliminate the requirement to demolish the coal units to align the BART order's language with language in the Memorandum of Understanding (MOA) between the State of Washington and TransAlta.

SNCR and Other Related Changes

The requirement to install SNCR along with the requirement to meet Washington's greenhouse gas emission performance standard was enacted by the legislature in 2010. The legislative requirement resulted in the first BART order revision. This first revision was finalized in December 2011 and approved by EPA December 16, 2012.

Originally, Revision 2 was intended to incorporate the results of the SNCR Optimization Study required by Condition 5 of the First Revision of the amended 2012 BART order. The study was to demonstrate the proper use of ammonia in controlling emissions of nitrogen oxides generated by the combustion of coal in the TransAlta boilers. Goals of the study were to determine how low nitrogen oxides emissions could be attained while meeting an ammonia slip limit of 10 ppm.

TransAlta completed the required ammonia injection optimization testing in two phases. The first phase was completed and the required report submitted in September 2014. Ecology and Southwest Clean Air Agency requested additional testing. This additional testing was performed and updated test results were submitted in August 2016. The updated test results were accepted by Ecology and Southwest Clean Air Agency on November 7, 2016. Ecology's letter accepting the final report included a requirement for urea injection in Unit 1 at 1.2 gallons per minute and 2.0 gallons/minute in unit 2. The prescribed urea injection level was constant for all power generation levels.

Condition 5 of the First Revision of the BART order required TransAlta to submit a request to revise the BART order to reflect the results of the study. In a letter dated November 28, 2016, TransAlta requested specific revisions to the BART order to reflect the findings of the study.

Before Ecology was able to take action on TransAlta's request, TransAlta started a third optimization study in response to a compliance order with Southwest Clean Air Agency. The intent of the third optimization study was to fine-tune certain plant operating parameters and verify the result of the second optimization study. The results of the third study would augment or replace the results of the previous studies. An initial SNCR optimization test plan was submitted to Ecology by email on February 6, 2019.

In the summer of 2019, TransAlta experienced emission opacity readings that would have exceeded the opacity limits if TransAlta had not reduced plant capacity to compensate. During a maintenance shut-down of the facility, the electrostatic precipitators (ESPs) were examined. The ESPs had a visual fouling of all interior components, which dramatically reduced their efficiency. Samples of the material in the ESPs were analyzed and identified as ammonia sulfate. The source of ammonia in the system was from the reactions of urea in the SNCR system.

To decrease the ammonia slip in the SNCR, TransAlta installed a computerized emission control system called a Combustion Optimization System with Neural Network program (Neural Net). The Neural Net is able to monitor and adjust more system variables at the same time than the manual control system. TransAlta notified Ecology and Southwest Clean Air Agency by email on July 8, 2019 of the installation of the Neural Net and the start of tuning the system.

TransAlta submitted a request on January 30, 2020 to modify Revision 1 of the BART order. The modification proposes the installation of the Neural Net and eliminates the mandatory urea injection requirements.

Revision 2 incorporates those changes and removes outdated requirements.

Compliance schedule related change

On July 13, 2017, the Memorandum of Agreement (MOA) between the State of Washington and TransAlta was amended. Subsection D(5) of the Recitals was modified. The 2011 MOA stated, "permanently cease power generation…" The 2017 MOA amendment reads:

> (5) permanently cease coal-fired 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, in each case pursuant to the terms and subject to the conditions of this MOA.

The change in the MOA does not require decommissioning of the units as envisioned (but not explicitly required) in 2011 with the passage of Chapter 180 (see Laws of 2011 - ESSB 5769 in 2011, codified in several locations). The change in the order reflects the pertinent portions of this law as codified in Chapters 80.80 and 80.82 RCW.

Ecology used the 2011 expectation that the plant would close to comply with the greenhouse gas emissions performance standard in RCW 80.08.040(3). Ecology also used the planned closure of the plant in the 2011 Regional Haze State Implementation Plan to project visibility benefits from the plant meeting the standard according to the schedule in the law. If power generation of the coal plant is replaced with a different form of combustion power generation (e.g., natural gas), the impact to regional haze would have to be analyzed separate from this BART order modification.

If TransAlta decides to switch to non-coal power generation, a Notice of Construction application would need to be submitted to Southwest Clean Air Agency by the company. Ecology would require the company to do, at a minimum, emissions modeling that would be required under the BART process to quantify the visibility impacts resulting from the operation as a natural gas boiler plant (EGU). This is similar to what we would require of a new power plant to determine if it meets the requirements of WAC 173-400-117, special protection requirements for federal Class I areas.

Basis for Decision

SNCR related changes and optimization study

As directed by BART order revision 1 and RCW 80.80.040, TransAlta installed an SNCR system to reduce nitrogen oxides emissions from the boilers. The installation was based on a design study by the system vendor, NALCO-NOx Mobotec.

NALCO/Mobotec took system measurements adequate to model the combustion process and optimize the locations of ammonia injection into the boilers. Modeling indicated that due to the configuration of the boilers, the lowest nitrogen oxides emission rate anticipated would be approximately 0.195 lb/MMBtu, assuming that modifications to optimize combustion in the fireboxes for Powder River Basin (PRB) sub-bituminous coal were completed.

Only Unit 2 (aka BW22) was modified for optimizing the combustion of PRB coals. These modifications, proposed in 2007, are known as the Flex Fuels Project. Unit 1 (aka BW21) is not modified and the company indicates that it is unlikely that the modifications will be installed on this unit.

The installed SNCR system includes three levels of injection lances in each boiler. The actual lances used depends on the firing rate. In general, to avoid making nitrogen oxides by oxidizing ammonia, the higher lances are used at high firing rates and the lower lances are used at low firing rates.

Ammonia is supplied by using urea. Urea is received as a 40 percent by weight urea solution. The urea is supplied to the lances via a variable speed pump that can supply up to 6 gallons per minute of the 40 percent urea solution to an eductor system. The water provides some cooling to the hot flue gas and carries the urea well beyond the lance ports allowing the nitrogen oxides reduction to occur over more volume of the boiler. At maximum injection rates, the system is capable of injecting ammonia at approximately the stoichiometric rate for the SNCR reaction at maximum heat input.

The modeling by NALCO/Mobotec on maximum reduction of nitrogen oxides has proven to be accurate in practice. Boiler/SNCR system modeling indicated that the maximum expected nitrogen oxides reduction would give an emission rate of 0.195 lb/MMBtu. Testing indicates that on Unit 2, the maximum reduction is to 0.19 lb/MMBtu and for Unit 1, 0.20 lb/MMBtu.

The initial reduction testing (reported in the September 2014 Optimization Study report) indicated that at low injection rates, the installed SNCR systems did not reduce nitrogen oxides beyond the levels being achieved by the use of the installed combustion controls. There was no significant nitrogen oxides reduction when the SNCR and combustion controls were both operated concurrently. The 2014 Optimization Study report indicated that the combination of SNCR and combustion control could achieve 0.21 lb nitrogen oxides/MMBtu. The current nitrogen oxides emission limit has been set to the achievable emission level of 0.21 lb nitrogen oxides/MMBtu.

Ecology and Southwest Clean Air Agency required TransAlta to complete additional urea injection studies to determine the effects of injection rates of up to 6 gpm of 40 percent urea solution on nitrogen oxides reduction. Two test series on each boiler were done at 2 boiler operating rates:

- A series of 15-minute tests at an operating rate of 686 MW, gross, and
- A series of 15-minute and 4 hours tests were done at an operating rate of 600 MW, gross.

Conclusions of TransAlta's optimization study

In conclusion, the 2014 and 2016 test results indicate that the injection rates developed by NALCO/Mobotec as their optimum injection rates are very close to what has been demonstrated in the most current study. TransAlta presented rationale for why the emission limits in the BART order should not be adjusted downward.

TransAlta's rationale included a conclusion that the effectiveness of the SNCR system is affected by numerous operational parameters. The plant operators have control over some, while others are out of their control. Operating parameters include market driven operating rates, fuel blend, physical condition of the boiler and auxiliary equipment, fuel staging at burners, air flow distribution, burner tilt, soot blowing intervals, tube fouling, water wall slagging, and temperature in the convective pass of the boiler. TransAlta argued that because the uncertainties listed above, the BART order should not be adjusted.

Ecology's evaluation of the optimization data

Test results indicate that a small reduction in average nitrogen oxides emissions may be achievable. The actual reduction depends on several operating parameters. Ecology has evaluated the possibility of reducing the 30-day average limitation from 0.21 to 0.20 lb/MMBtu. We note that if both units operated at full rate for every hour of the year (i.e., the potential to emit), a 0.01 lb/MMBtu reduction equates to about 590 tons per year out of a potential to emit rate of 12,900 tons.

TransAlta's current permits require the operation of the SNCR system with urea injection and emission limits of 0.21 lb/MMBtu. The urea injection rate is creating ammonia slip. The ammonia generation is reacting with sulfur to create ammonia sulfate that is plating the surfaces in the ESPs. This creates conditions where the facility has to run at a reduced rate to continuing meeting emission requirements.

Neural Net

TransAlta initial proposal was to substitute the Neural Net to reduce the urea injection rate for each unit. Ecology and Southwest Clean Air Agency were willing to accept a lower urea injection rate, but wanted TransAlta to meet the short-term emission values of 0.18 lb/MMBtu for the unit with the Neural Net installed on it. In July 2019, TransAlta did not know the effectiveness of the Neural Net system. TransAlta requested a delay in agreement until more testing was done.

Southwest Clean Air Agency agreed to use enforcement discretion in 2019 on the urea injection rate while TransAlta was tuning the Neural Net. At the end of Calendar Year 2019, TransAlta had enough data to agree that the Neural Net system would be able to meet a 0.18 lb/MMBtu emission standard. TransAlta submitted a request to revise their BART order in January 2020.

The main elements of the request are to:

- Install the Neural Net on Unit 2.
- Change the emission standard on Unit 2 to 0.18 lb/MMBtu from 0.21 lb/MMBtu.
- Allow TransAlta to use all methods and options they have available in any combination to meet the 0.18 lb/MMBtu standard.
- Change the ammonia monitoring requirements to reflect both historical readings and the change in urea injection rates.
- Remove the testing of coal for nitrogen and sulfur content as the facility would have to meet emission standards regardless of the coal used.
- Remove the reporting requirements for the coal nitrogen and sulfur content, as the test would no longer be performed.
- Change the permit language to reflect the new MOA language.

Compliance schedule related changes

The requirements of Chapter 80.80 RCW that sets the compliance schedule simply requires that to continue operation as a baseload power plant after the schedule in RCW 80.80.040(3)(c) and the BART order, each boiler must meet the greenhouse gas emission performance standard in effect on the day after the compliance dates. The standard is set by Washington Department of Commerce based on the emissions of combined cycle combustion turbines offered for sale and installed in the United States. This standard is currently 970 pounds of greenhouse gases/MWh. The standard is currently under review by Commerce for potential revision downward.

To continue operation after 2020 and 2025 with emissions above the greenhouse gas emission performance standard would require the plant owners to take an enforceable limit that keeps operations annually below a 60 percent capacity factor to avoid being classified as a baseload power plant under Chapter 80.80 RCW.

Ecology Analysis

The change in MOA language does not exclude the possibility that TransAlta could retrofit the facility to natural gas and continue operation. As the current BART order revision request does not address the future operation of the plant after 2025, any changes of this nature will require a separate action on the part of TransAlta. Until such time, it is assumed that TransAlta will cease all power generation activities by 2025.

Chapter 80.82 RCW was enacted in the same legislation that enacted special requirements for the Centralia Power Plant in Chapter 80.80 RCW. This law was drafted with the explicit understanding that the coal units would be decommissioned and demolished rather than repowered.

Ecology is aware that if TransAlta repowers the units on natural gas the visibility improvements anticipated by the current BART order and state implementation plan limits would not be met. Repowering would change the emission reduction used in determining the 2028 further progress goals for the nearby Class I Areas (Mt. Rainier and Olympic National Parks, and the Goat Rocks and Alpine Lakes Wilderness Areas) under the 2021 Regional Haze State Implementation Plan.

Proposed revision to emission limit in BART order

Ecology has determined that the small nitrogen oxides reduction resulting from lowering the emission limit to 0.18 lb/MMBtu nitrogen oxides will be slightly beneficial for the environment and reduce regional haze.

Ecology has determined that a change in ammonia monitor is applicable with the change from a mandatory urea injection rate to a rate dependent on meeting a specific nitrogen oxides emission standard. TransAlta historic ammonia emission sampling at their current urea injection rate has never indicated excessive ammonia emissions. A large part in this finding is that the SNCR is upstream in the emission pathway from the wet scrubber. Free ammonia in the exhaust stream would be absorbed by the slurry stream in the wet scrubber, as ammonia is hydrophilic. These two factors allow for modification of the ammonia monitoring.

Ecology will modify the BART order by:

- Lowering the nitrogen oxides emission standard on the second unit to 0.18 lb/MMBTU
- Requiring the unit that continues to provide coal-fired power production after 2020 to meet the 0.18 lb/MMBtu nitrogen oxides.

- Change the language to “permanently cease coal-fired 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.” This to match the new language in the MOA.
- Remove the requirement to sample the coal for nitrogen and sulfur content.
- Remove the requirement to report to Southwest Clean Air Agency results of coal test.
- Removing the requirement a specific urea injection rate to allow TransAlta to inject urea as required (or if required) to meet the new emission standard.
- Change the requirement for ammonia emission monitoring to reflect monitoring when using a urea injection rate of greater than 1.5 gallons per minute.

Proposed revision to compliance schedule in BART order

Ecology is proposing to modify the compliance schedule for coal units BW21 and BW22 to permanently cease coal-fired power generation operations by 2020 and 2025. This much more closely matches the requirement in the underlying state law.

Any request to repower one or both units at the Centralia plant would require that the impact of repowering on visibility be modeled. The modeling would have to meet both the requirements of BART modeling and satisfy the requirement of WAC 173-400-117. Since TransAlta has not requested repowering at this time, this issue will not be addressed in this BART order revision.

References

TransAlta’s SNCR Optimization Study Report, September 20, 2014

TransAlta’s SNCR Optimization Study Report, August 15, 2016

Ecology’s SNCR Optimization Study Report acceptance letter dated November 7, 2016

Letter to Nancy Pritchett and Uri Papish, dated November 28, 2016

Southwest Clean Air Agency Regulatory Order #16-3202, issued December 13, 2016

TVW recording of March 15, 2011 House Environment Committee

Emission calculation

Appendix:

Response to Comment

From:	Gent, Philip (ECY)
To:	emissol@emissol.com
Subject:	Response to submitted comment on TransAlta"s proposed BART Revision
Date:	Monday, July 27, 2020 4:39:00 PM

To whom it may concern,

You submitted a comment in regards to a proposed revision to the TransAlta Centralia Generation LLC ("TransAlta") Centralia Power Plant's Best Available Retrofit Technology (BART) Order on 5/19/2020 at 1420. Below you will find your submitted comment and Ecology's response to your comment.

Submitted Comment

"Neural Network (NN) is a complex method and requires substantial testing, development and validation in order to make it work for any given environment. We trust the applicant has gone thru its due process for this development and demonstration. It is imperative that sufficient evidence is provided, showing a certain NN algorithm has been developed and specifically shown to work for the said environment in the powerplant."

Response to comment

Thank you for your comment. TransAlta along with Neuendorfer and Griffin Open Systems installed a temporary neural network interfacing with the plant distributed control system starting July 8, 2019. The system had no control elements and was only learning and modeling the systems. Griffin engineers built a model to perform predictive modeling and started to collect tuning data.

The neural network interface continued to collect tuning data and in October, 2019, TransAlta Corporate approved and issued an authorization for expenditure for the entire neural network installation. The installation plan was to have the neural network operational the first week of November. The actual transition time took longer than planned and the commission date was extended to December 19, 2019.

The months of installation and modification of the neural network in order to reduce and optimize NOx emissions gave TransAlta the confidence to request a change to their existing BART Order. From the time of control system commissioning (December 19, 2019 being the day Griffin and Neuendorfer left the site) until the unit came offline for the spring outage on February 11, 2020, average NOX emissions have been below 0.18 lb/MMBtu. As the request to lower the NOx emission limit came from the Permittee (TransAlta), it is incumbent on TransAlta to meet the limits.

No change was made to the BART Order as a result of this comment.

Philip Gent, PE
Senior Engineer
Policy & Planning Section
Washington Department of Ecology
(360) 407-6810
Philip.Gent@ecy.wa.gov

EXHIBIT 10

UNITED STATES OF AMERICA
BEFORE THE UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order TransAlta Centralia Generation	Order No. 202-25-11

**DECLARATION OF GARY PALCISKO
IN SUPPORT OF
MOTION TO INTERVENE, REQUEST FOR REHEARING,
AND MOTION TO STAY BY STATE OF WASHINGTON**

I, Gary J. Palcisko, declare under penalty of perjury under the laws of the state of Washington that the following is true and correct:

1. I am now and at all times mentioned have been a citizen of the United States and a resident of the state of Washington, over the age of 18 years, competent to make this declaration, and I make this declaration from my own personal knowledge and judgment.

2. I am currently employed by the Washington State Department of Ecology (Ecology) as a toxicologist. I have worked in this position for 17 years. Before becoming a toxicologist at Ecology, I worked as a public health advisor and toxicologist at the Washington State Department of Health. I held that position for almost 7 years.

3. I have a Bachelor of Science degree in environmental earth science from the University of North Carolina at Charlotte and a master of science degree in environmental health from the University of Washington. I also completed the Agency for Toxic Substances and Disease Registry Basic Course for Health Assessment and Consultation in June 2001, and

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the Environmental Protection Agency Region 10 Air Toxics Risk Assessment Course, January 25–27, 2005.

4. In my current position as a toxicologist, I provide analysis and support to Ecology's Air Quality Program with issues pertaining to air pollution and health effects.

5. As part of these duties, I assess the health risks involved in exposure to various air pollutants. Air pollution is associated with a variety of health effects including premature death and cardiovascular and respiratory diseases. Many pollutants are also known or suspected to cause cancer and other serious health effects. Some air pollutants, like metals, do not degrade in the atmosphere and can be deposited on land, rivers, and lakes where they build up in food and fish that people eat.

6. TransAlta's Centralia Plant, Unit #2, had been scheduled to cease using coal as a fuel source in December 2025. TransAlta recently submitted an air quality permit application to Ecology to convert Unit #2 of the plant to a natural gas fuel source. The permit application is for a prevention of significant deterioration or "PSD" permit, a type of permit required under the Clean Air Act for any new major source or major modification of a major source of air pollution in an area that has attained national ambient air quality standards. As part of this application, TransAlta estimated their historic baseline emissions from Unit #2 as well as their potential emissions after converting to natural gas. (*See* Ex. 21).

7. Based on TransAlta's calculations included in its recent PSD permit application, its baseline emissions from 2022 through 2023 were:

- Fine particulate matter ($PM_{2.5}$): 236.5 tons per year
- Sulfur dioxide (SO_2): 1,211.5 tons per year
- Oxides of nitrogen (NO_x): 3,680.3 tons per year

Ex. 21 at 3-4, Table 3-1. This means that ceasing operations of the facility would be expected to result in emissions reductions of these amounts. This estimate is based only on the emissions of Unit #2 and does not include emissions associated with the rail transfer of coal.

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The estimates are also based on the assumption that Centralia continues to abide by the requirements of its operating permit.

8. If TransAlta Unit #2 operates past December 2025, the benefits to air quality and human health that would result from ceasing coal operations will not be realized. Thus, an air quality health cost will be incurred if the facility continues to operate. If the plant operates at similar levels as it has historically, we would expect to see similar emissions levels to their baseline emissions rates detailed above.

9. The CO-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (COBRA), is an EPA tool developed to help state and local governments determine the health and economic benefits from actions that cause a change in the amount of air pollution emitted. COBRA uses simplified dispersion modeling (compared to EPA's similar but more robust BENMAP tool used for its regulatory analysis) to determine geographic changes in pollutant concentrations and established concentration-response functions to determine the changes in health effects that occur in the population from changes in emissions. EPA uses a similar method to compare the costs of implementing a regulatory action compared to its health benefits. For the COBRA analysis, I specified that emissions listed in paragraph 7 occur in Lewis County, WA, the industry sector is "Fuel Combustion: Electric Utility", and the fuel source is subbituminous coal. The COBRA tool estimates ambient impacts and the attributed health effects from those emissions.

10. Based on COBRA, the continued operation of Unit #2 would contribute to the following health outcomes and costs in Washington annually if Centralia continues to operate as a coal facility versus ceasing operations altogether:

- 9 to 13 early deaths
- 3 nonfatal heart attacks
- 53 cases of asthma onset
- 8400 symptoms of asthma

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- 3500 minor restricted activity days for Washingtonians
- 3800 school loss days for Washington children
- 590 work loss days for Washington workers
- 140 million to 210 million dollars cost to society

See Ex. 10-1.

11. TransAlta intends to convert Unit #2 fuel compatibility to natural gas from coal. The entire conversion was set to be complete by the end of 2028, when TransAlta is targeting commercial operation for the gas plant. (*See* Ex. 20). There will be emissions associated with Unit #2 after conversion to natural gas, but most of the emissions are predicted to be less than baseline rates of historic coal-fired operations. Based on the calculations in TransAlta's recent PSD permit application, the conversion of TransAlta Unit #2 from coal to natural gas is expected to result in the following decrease in emissions:

- $PM_{2.5}$: 103.4 tons per year
- SO_2: 1197.6 tons per year
- NO_x : 1548.4 tons per year

Ex. 21 at 3-4, Table 3-1. This estimate is based only on the emissions of Unit #2 and does not include emissions associated with the rail transfer of coal. The estimates are also based on the assumption that Centralia continues to abide by the requirements of its operating permit.

12. Using the same COBRA tool referenced in paragraph 9 above and emission rates specified in this paragraph, the delayed conversion of Unit #2 from coal to natural gas is estimated to contribute to the following health outcomes and costs in Washington annually if Centralia continues to operate as a coal facility instead of converting to a natural gas facility:

- 4 to 7 early deaths
- 2 nonfatal heart attacks
- 24 cases of asthma onset
- 3900 symptoms of asthma

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- 2000 minor restricted activity days
- 1600 school loss days
- 340 work loss days
- 68 million to 110 million dollars annual cost to society

See Ex. 10-2.

13. Conversion of the facility to natural gas will also reduce the emissions of hazardous air pollutant (HAP) metals, according to TransAlta's calculations. For example, conversion of the facility to natural gas would expected to eliminate the roughly 30 lbs (0.015 tons) per year of mercury emissions caused by coal combustion, since natural gas combustion does not cause significant mercury emissions. *See* Ex. 10-3. While the COBRA tool does not account for changes in HAP emissions, continuing emissions of mercury and other HAPs associated with continuing to run the plant as a coal-fired facility are expected to contribute to negative health impacts.

14. Mercury air pollution emissions deposit mercury in Washington lakes and rivers where the mercury can be converted to methylmercury and build up in fish in impacted waterways. Methylmercury is toxic to our brains and entire central nervous system. Exposure to methylmercury through fish consumption is of particular concern for women who are, or may become, pregnant because unborn children in the womb are extra sensitive to the effects of methylmercury. A reduction in mercury, on the other hand, associated with ceasing coal-fired operations at the Centralia Plant means there will be less mercury and a decrease in associated health impacts.

DATED this 13TH day of January, in Lacey, Washington.

Gary J Palcisko
GARY J. PALCISKO

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EXHIBIT 10-1

Total Health Benefits		
	-$142,043,697	-$209,149,883
	Low Value	High Value

	Change in Incidence	Monetary Value
Total Mortality	**-8.717 / -13.315**	**-$127,236,984 / -$194,343,170**
Mortality, All Cause (PM)	-3.766 / -8.364	-$54,968,250 / -$122,074,436
Mortality, O3 Short-term Exposure (O3)	-0.212	-$3,098,252
Mortality, O3 Long-term Exposure (O3)	-4.739	-$69,170,482
Nonfatal Heart Attacks (PM)	**-2.696**	**-$226,765**
Infant Mortality (PM)	**-0.029**	**-$454,423**
Total Hospital Admits, All Respiratory	**-0.652**	**-$14,606**
Hospital Admits, All Respiratory (PM)	-0.237	-$7,146
Hospital Admits, All Respiratory (O3)	-0.415	-$7,461
Total Emergency Room Visits, Respiratory	**-15.502**	**-$25,181**
Emergency Room Visits, Respiratory (PM)	-2.753	-$4,472
Emergency Room Visits, Respiratory (O3)	-12.749	-$20,709
Total Asthma Onset	**-53.292**	**-$4,064,987**
Asthma Onset (PM)	-11.800	-$900,039
Asthma Onset (O3)	-41.493	-$3,164,949
Total Asthma Symptoms	**-8394.628**	**-$2,418,734**
Asthma Symptoms, Albuterol Use (PM)	-2128.630	-$1,362
Asthma Symptoms, Chest Tightness (O3)	-1726.835	-$666,199
Asthma Symptoms, Cough (O3)	-2036.039	-$785,488
Asthma Symptoms, Shortness of Breath (O3)	-871.064	-$336,050
Asthma Symptoms, Wheeze (O3)	-1632.060	-$629,636
Emergency Room Visits, Asthma (O3)	**-0.070**	**-$58**
Lung Cancer (PM)	**-0.307**	**-$13,535**
Hospital Admits, Cardio-Cerebro/Peripheral Vascular Disease (PM)	**-0.449**	**-$12,926**
Hospital Admits, Alzheimers Disease (PM)	**-1.105**	**-$24,740**
Hospital Admits, Parkinsons Disease (PM)	**-0.221**	**-$5,266**
Stroke (PM)	**-0.261**	**-$16,467**
Total Hay Fever/Rhinitis	**-335.739**	**-$374,082**
Hay Fever/Rhinitis (PM)	-73.818	-$82,248
Hay Fever/Rhinitis (O3)	-261.921	-$291,834
Cardiac Arrest, Out of Hospital (PM)	**-0.064**	**-$3,930**
Emergency Room Visits, All Cardiac (PM)	**-1.104**	**-$2,381**
Minor Restricted Activity Days (PM)	**-3465.648**	**-$435,701**
School Loss Days (O3)	**-3842.811**	**-$6,526,299**
Work Loss Days (PM)	**-589.999**	**-$186,629**
Total PM Health Effects	-6282.887 / -6287.484	-$57,346,282 / -$124,452,468
Total O3 Health Effects	-10430.409	-$84,697,415

Step 2: Review Scenario

Review the scenario below. To add changes to more locations or sectors, repeat Step 1 to continue building your scenario.

Location(s)	Sector	Emissions Modification(s)	
Lewis, Washington	Fuel Combustion: Electric Utility Coal Subbituminous	$PM_{2.5}$ increase by 236.5 tons SO_2 increase by 1,211.5 tons NO_x increase by 3,680.3 tons	✕

Discount rate:

- (●) 2%
- ( ) **Custom:** enter %

EXHIBIT 10-2

Total Health Benefits		
	-$68,448,636	-$106,831,850
	Low Value	High Value

	Change in Incidence	Monetary Value
Total Mortality	**-4.238 / -6.868**	**-$61,856,304 / -$100,239,518**
Mortality, All Cause (PM)	-2.155 / -4.785	-$31,461,285 / -$69,844,499
Mortality, O3 Short-term Exposure (O3)	-0.089	-$1,303,467
Mortality, O3 Long-term Exposure (O3)	-1.993	-$29,091,552
Nonfatal Heart Attacks (PM)	**-1.542**	**-$129,671**
Infant Mortality (PM)	**-0.017**	**-$260,858**
Total Hospital Admits, All Respiratory	**-0.311**	**-$7,228**
Hospital Admits, All Respiratory (PM)	-0.136	-$4,089
Hospital Admits, All Respiratory (O3)	-0.175	-$3,139
Total Emergency Room Visits, Respiratory	**-6.946**	**-$11,282**
Emergency Room Visits, Respiratory (PM)	-1.582	-$2,570
Emergency Room Visits, Respiratory (O3)	-5.364	-$8,712
Total Asthma Onset	**-24.223**	**-$1,847,640**
Asthma Onset (PM)	-6.782	-$517,282
Asthma Onset (O3)	-17.441	-$1,330,358
Total Asthma Symptoms	**-3859.353**	**-$1,017,613**
Asthma Symptoms, Albuterol Use (PM)	-1223.658	-$783
Asthma Symptoms, Chest Tightness (O3)	-726.247	-$280,180
Asthma Symptoms, Cough (O3)	-856.507	-$330,433
Asthma Symptoms, Shortness of Breath (O3)	-366.436	-$141,368
Asthma Symptoms, Wheeze (O3)	-686.506	-$264,849
Emergency Room Visits, Asthma (O3)	**-0.030**	**-$25**
Lung Cancer (PM)	**-0.176**	**-$7,767**
Hospital Admits, Cardio-Cerebro/Peripheral Vascular Disease (PM)	**-0.257**	**-$7,391**
Hospital Admits, Alzheimers Disease (PM)	**-0.635**	**-$14,206**
Hospital Admits, Parkinsons Disease (PM)	**-0.127**	**-$3,021**
Stroke (PM)	**-0.150**	**-$9,448**
Total Hay Fever/Rhinitis	**-152.596**	**-$170,023**
Hay Fever/Rhinitis (PM)	-42.432	-$47,277
Hay Fever/Rhinitis (O3)	-110.164	-$122,745
Cardiac Arrest, Out of Hospital (PM)	**-0.037**	**-$2,256**
Emergency Room Visits, All Cardiac (PM)	**-0.634**	**-$1,367**
Minor Restricted Activity Days (PM)	**-1992.030**	**-$250,438**
School Loss Days (O3)	**-1616.202**	**-$2,744,819**
Work Loss Days (PM)	**-339.148**	**-$107,279**
Total PM Health Effects	-3611.496 / -3614.126	-$32,826,990 / -$71,210,203
Total O3 Health Effects	-4387.153	-$35,621,646

Step 2: Review Scenario

Review the scenario below. To add changes to more locations or sectors, repeat Step 1 to continue building your scenario.

Location(s)	Sector	Emissions Modification(s)	
Lewis, Washington	Fuel Combustion: Electric Utility Coal Subbituminous	$PM_{2.5}$ increase by 103.4 tons SO_2 increase by 1,197.6 tons NO_x increase by 1,548.4 tons	✕

Discount rate:

- ◉ 2%
- ○ Custom: enter %