



**Keith D. Wood**  
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May 11, 2023

**VIA ELECTRONIC DELIVERY**

Ms. Lora W. Johnson, CMC, LMMC  
Clerk of Council  
City Hall, Room 1E09  
1300 Perdido Street  
New Orleans, Louisiana 70112

Re: Entergy New Orleans, LLC's Ninth Annual Post-Miso-Integration Monitoring Report

**Docket No. UD-11-01**

Dear Ms. Johnson:

Please find enclosed for your further handling the Public Version of the Ninth Annual Post-MISO-Integration Monitoring Report of Entergy New Orleans, LLC ("ENO" or the "Company"). As a result of the remote operations of the Council's office related to COVID-19, ENO submits this filing electronically and will submit the requisite original and number of hard copies once the as you direct. ENO requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

In connection with the Company's filing, a Confidential Version of the Report bearing the designation "Highly Sensitive Protected Materials" is being provided to the Council's Advisors pursuant to the terms and conditions of the Official Protective Order adopted in Council Resolution R-07-432. Portions of the information included in the filing consist of or reflect competitively sensitive cost and market information, the disclosure of which may present a risk of harm to ENO's customers. In addition, portions of the filing may contain highly sensitive information of third parties to which an obligation of confidentiality is owed

Sincerely,

A handwritten signature in blue ink that reads "Keith D. Wood".

Keith D. Wood

KDW/bkd

Enclosures

cc: Official Service List (via email)

**BEFORE THE  
COUNCIL OF THE CITY OF NEW ORLEANS**

**INVESTIGATION OF THE )  
POTENTIAL COSTS AND BENEFITS )  
OF ENTERGY NEW ORLEANS, INC. )  
AND ENTERGY LOUISIANA, LLC )  
JOINING A REGIONAL )  
TRANSMISSION ORGANIZATION )  
VERSUS CONTINUATION OF THE )  
ENTERGY INDEPENDENT )  
COORDINATOR OF TRANSMISSION )  
WITH ENHANCEMENTS )**

**DOCKET NO. UD-11-01**

**ENTERGY NEW ORLEANS, LLC’S NINTH ANNUAL  
POST-MISO INTEGRATION MONITORING REPORT**

Pursuant to and in compliance with Council of the City of New Orleans (“Council”) Resolution R-15-139 dated April 9, 2015, Entergy New Orleans, LLC (“ENO” or the “Company”) submits its Ninth Annual Post-MISO Integration Monitoring Report (“Ninth Annual Report” or “Report”) related to the integration of ENO into the Midcontinent Independent System Operator, Inc. (“MISO”) regional transmission organization (“RTO”) on December 19, 2013. The headings and sub-headings set forth below correspond to the headings and sub-headings contained in the Summary of Proposed Post-MISO Integration Reporting Guidelines, which can be found in Exhibit 4 to the Agreement in Principle attached to Council Resolution R-15-139.

On December 14, 2017, the Council adopted Resolution R-17-627 in Docket No. UD-17-02 that found, among other things, that ENO’s continued membership in MISO beyond December 19, 2018, is in the public interest.<sup>1</sup> This Ninth Annual Report follows the streamlined framework of prior reports, and includes estimated benefits to ENO customers resulting from the Company’s

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<sup>1</sup> Resolution R-17-627, Ordering Paragraph #4. *See also* AIP, Paragraph 2.e., at page 4 (“ENO shall develop, in consultation with the Advisors, a detailed framework and content for future reporting that is better suited to assess the annual historic costs and benefits of MISO membership.”).

continued membership in MISO calculated as of the end of 2022 using the updated methodology discussed with the Advisors.

**a. Resource Adequacy**

**1. The following related to resource adequacy in MISO for ENO for the current Planning Year including:**

**i. The Results from MISO’s Planning Resource Auction for the current Planning Year**

MISO’s Resource Adequacy Construct, including the Planning Resource Auction (“PRA”), is conducted on an annual basis coinciding with the MISO Planning Year, which begins on June 1 of a given year and concludes on May 31 of the following year. The Resource Adequacy Construct establishes capacity requirements for specific geographic areas, known as Local Resource Zones (“LRZs”), which can be met through participation in the PRA. ENO is located in LRZ 9, which covers Louisiana and Texas. ENO owns and has long-term contracts with generating resources located in LRZ 8 (Arkansas) and LRZ 10 (Mississippi). The PRA results in a clearing price for each LRZ, which is used for both capacity purchases and capacity sales for auction participants within each LRZ. The 2022-2023 PRA resulted in a clearing price of \$236.66/MW-day for LRZs 1-7 and \$2.88/MW-day for LRZs 8-10.

**ii. A list of the capacity purchases, by amount and cost, made by ENO**

Certain information responsive to this component of the filing has been designated as Highly Sensitive Protected Material (“HSPM”), has been redacted from the Public Version of this filing, and will be provided only to Reviewing Representatives authorized and designated under the confidentiality agreement executed in this docket.

Since June 1, 2022, ENO has been participating in MISO’s Resource Adequacy process for the 2022-2023 Planning Year. For the period from June 1, 2022, through May 31, 2023, ENO

[REDACTED] reflecting the auction clearing price of \$2.88/MW-day.

Please see [REDACTED] for more detailed information regarding ENO's participation in the 2022-2023 PRA.

**b. Market Operations**

- 1. A breakdown of the energy mix used to supply ENO's customers, for the previous twelve month period, showing the MWh and average cost by month, as supplied by resources owned or controlled (through limited or long-term bilateral purchase power agreements) by ENO, and purchases from the MISO markets**

Please see [REDACTED] for a breakdown of the energy mix used to serve ENO's customers in 2022.

- 2. The following related to congestion hedging for the System Agreement Operating Companies, collectively and individually:**

- i. The allocation of Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs") received by ENO**

Please see [REDACTED] [REDACTED] which outlines the allocation of ARR and FTRs to ENO for the 2022-23 Planning Year.

- ii. The cost of any ARR and FTRs purchased by ENO in the MISO market processes**

The information responsive to this component of this filing has been designated as HSPM.

[REDACTED]

[REDACTED]

[REDACTED]

- iii. The annual net congestion charges (net of congestion revenues which will be identified and quantified separately), if any, paid by ENO to MISO**

The Company's net congestion charges are shown in the table below, with positive numbers reflecting net congestion charges and negative numbers reflecting net congestion revenues. Congestion charges represent the cost of delivering owned and contracted generation to load. This can be calculated by subtracting the Marginal Congestion Component ("MCC") of the Locational Marginal Price ("LMP") of the generator source from the MCC of the LMP of the load sink.

The HSPM table below reflects congestion charges (net of revenues from ARRs and FTRs) from resources owned or under contract by ENO prior to MISO integration on December 19, 2013 ("pre-MISO integration resources").<sup>2</sup> After the termination of the Entergy System Agreement on August 31, 2016, ENO modified its net congestion calculation. While the System Agreement was in effect, ENO was allocated a share of the total net congestion incurred by the System Agreement Operating Companies. This calculation included both Day-Ahead and Real-Time market effects, with the specifics of the calculation dictated by the System Agreement for purposes of allocating costs among the System Agreement Operating Companies. As a result of ENO operating as a standalone entity outside of the System Agreement, ENO is able to produce a simplified congestion calculation that only includes Day-Ahead market effects. ENO has chosen to exclude the Real-Time market effects because: (1) FTRs hedge congestion incurred in the Day-Ahead market only, and (2) over 97% of ENO's load needs have been served through the Day-Ahead market since joining MISO. The following table reflects ENO's net congestion charges from its pre-MISO integration resources utilizing the Day-Ahead only methodology.

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<sup>2</sup> The pre-MISO integration resources include Ninemile Unit 6 because that resource was granted transmission service by the Independent Coordinator of Transmission prior to MISO integration.

<b>ENO's Net Congestion from Pre-MISO Integration Resources</b>	
<b>Period</b>	<b>Net Congestion Charge/(Revenue)</b>
Jan. 1, 2022 – Dec. 31, 2022	

**3. Net Revenue Sufficiency Guarantee charges (net of any make whole payment revenues, which will be identified and quantified separately), if any, paid by ENO to MISO**

The HSPM table below provides a summary of ENO's Revenue Sufficiency Guarantee ("RSG") charges and Make Whole Payments for the period from January 1, 2022, through December 31, 2022. Positive numbers reflect amounts paid to MISO, and negative numbers reflect amounts received from MISO.

<b>Charge/Determinant Name</b>	<b>Description</b>	<b>Charge/(Credit) to ENO (1/1/2022 – 12/31/2022)</b>
Day-Ahead RSG Distribution (DA_RSG_DIST)	The total Day-Ahead RSG Distribution amount obligation for an Asset Owner	
Day-Ahead RSG Make Whole Payment (DA_RSG_MWP)	The total Day-Ahead Revenue Sufficiency Make Whole Payment credit for all assets of an Asset Owner	
Real-Time First Pass RSG Distribution (RT_RSG_DIST1)	The charges related to funding first pass distribution of Real-Time RSGs	
Real-Time Second Pass RSG Distribution (RT_RSG_DIST2)	The charges related to funding second pass distribution of Real-Time RSGs	
Real-Time RSG Make Whole Payment (RT_RSG_MWP)	The total credits received for Real-Time RSG Make Whole Payments	
<b>Grand Total</b>		

**4. A summary of the types of ancillary services purchased by ENO from MISO as well as those provided by ENO to MISO and the compensation received by ENO from such services**

The HSPM table below provides a summary of ENO’s charges and revenues related to MISO ancillary services from January 1, 2022, through December 31, 2022, with positive numbers reflecting amounts paid to MISO and negative numbers reflecting amounts received from MISO.

<b>Charge /Determinant Name</b>	<b>Description</b>	<b>Charge/(Credit) to ENO (1/1/22-12/31/22)</b>
Day-Ahead Regulation (DA_ASM_REG)	The total daily amount due to Asset Owners that own the Regulation Qualified Resources with Day-Ahead Schedules for Regulating Reserves.	
Day-Ahead Spinning Reserves (DA_ASM_SPIN)	The total daily amount due to Asset Owners that own the Spin Qualified Resources with Day-Ahead Schedules for Spinning Reserves.	
*Day-Ahead Short-Term Reserve Amount (DA_ASM_STR)	The total daily amount due an Asset Owner that clears Short-Term Reserve in the Day Ahead Market.	
Day-Ahead Supplemental Reserves (DA_ASM_SUPP)	The total daily amount due to Asset Owners that own the Supplemental Qualified Resources with Day-Ahead Schedules for Supplemental Reserves.	
Day-Ahead Ramp Capability Amount (DA_RC_AMT)	The total daily amount due to Asset Owners for Up Ramp Capability and/or Down Ramp Capability in the Day-Ahead Energy and Operating Reserve Market.	
Contingency Reserve Deployment Failure Charge (RT_ASM_CRDFC)	The total daily net charge for an Asset Owner that owns Resources that was unable to deploy the specified amount of Contingency Reserve within the Contingency Reserve Deployment Period following a Contingency Reserve Deployment Instruction.	
Excessive/Deficient Energy Deployment Charge (RT_ASM_EXE_DFE_DEP)	The total daily Asset Owner charge associated with the Asset Owners that was unable to follow Setpoint Instructions and are assessed a share of the cost of procuring regulation service.	

Real-Time Net Regulation Adjustment Amount (RT_ASM_NRGA)	Charges or credits to a Resource providing deployed Regulation Service such that the Resource is indifferent to deploying Energy above or below its Dispatch Target for Energy to provide the Regulation Service.
Real-Time Regulation (RT_ASM_REG)	The total daily net charge or credit for an Asset Owner that owns Regulation Qualified Resources with cleared hourly Real-Time Regulating Reserve delta MW.
Real-Time Regulation Cost Distribution (RT_ASM_REG_DIST)	The total daily charges or credits to an Asset Owner for Day-Ahead and Real-Time Regulating Reserve procurement costs.
Real-Time Spinning Reserves (RT_ASM_SPIN)	The total daily net charge or credit for an Asset Owner that owns Spin Qualified Resources with cleared hourly Real-Time Spinning Reserve delta MW.
Real-Time Spinning Reserve Cost Distribution (RT_ASM_SPIN_DIST)	The total daily charges or credits to an Asset Owner for Day-Ahead and net Real-Time Spinning Reserve procurement costs.
*Real-Time Short-Term Reserve Amount (RT_ASM_RST)	The total daily net charge or credit for an Asset Owner that owns Short-Term Reserve Qualified Resources with cleared Hourly Real-Time Short-Term Reserve delta MWs.
*Short-Term Reserve Cost Distribution Amount (RT_ASM_STR_DIST)	The total daily net charge or credit for an Asset Owner that owns Supplemental Qualified Resources with cleared hourly Real-Time Supplemental Reserve delta MWs.
Real-Time Supplemental Reserves (RT_ASM_SUPP)	The total daily net charge or credit for an Asset Owner that owns Supplemental Qualified Resources with cleared hourly Real-Time Supplemental Reserve delta MW.
Real-Time Supplemental Reserve Cost Distribution (RT_ASM_SUPP_DIST)	The total daily charges or credits to an Asset Owner for Day-Ahead and net Real-Time Supplemental Reserve procurement costs.
Real-Time Ramp Capability Amount (RT_RC_AMT)	The total daily charges or credits to an Asset Owners for Ramp Capability in the Real-Time Energy and Operating Reserve Market, net of Ramp Capability amounts in the Day-Ahead Energy and Operating Reserve Market.

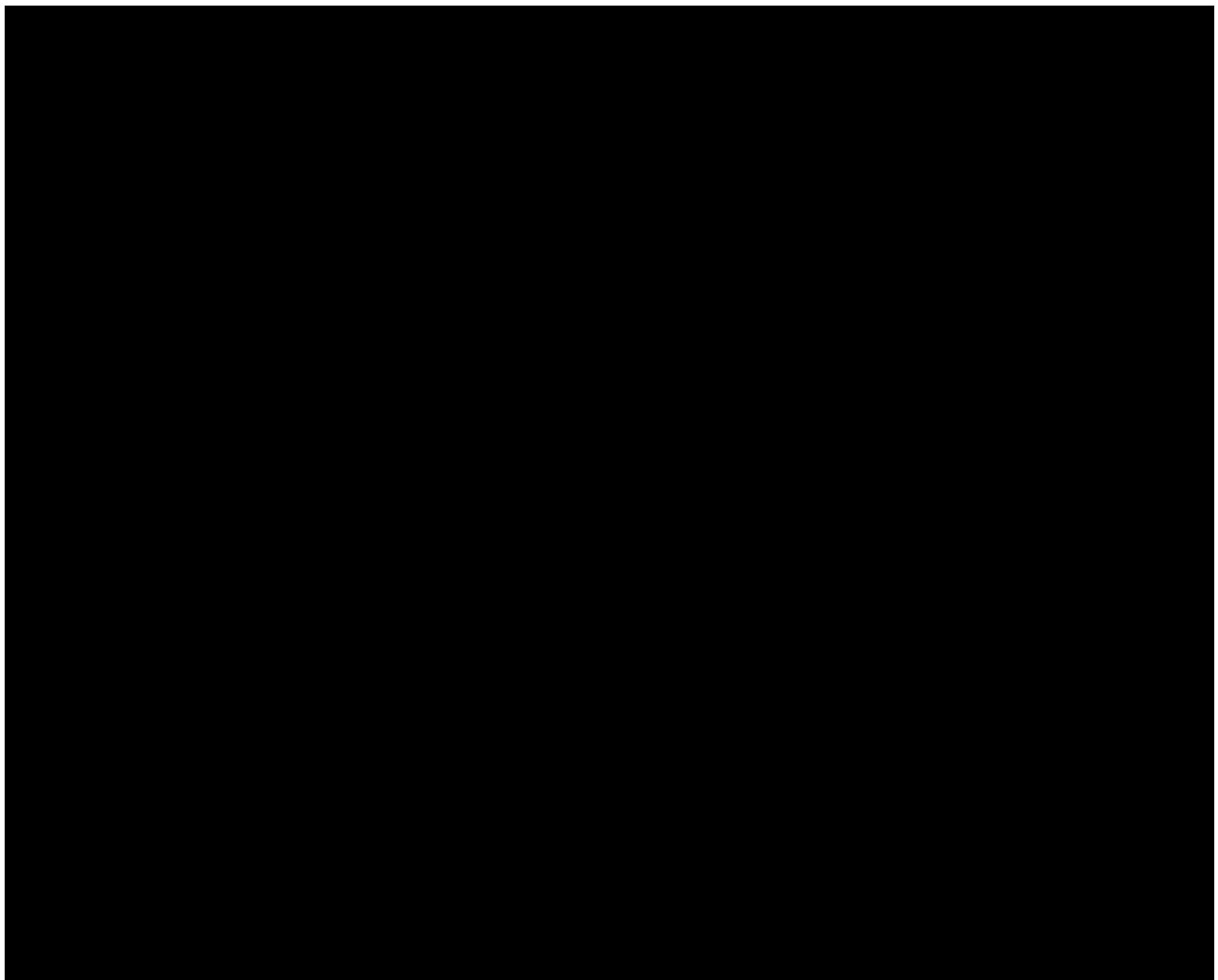
Real-Time Ramp Capability Cost Distribution (RC_DIST)	The total daily charges or credits to an Asset Owners for Day-Ahead and net Real-Time Ramp Capability procurement cost.	
<b>Grand Total</b>		

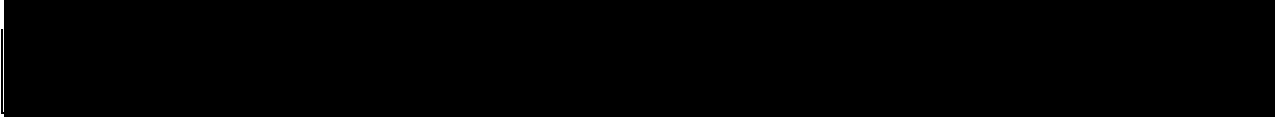
\*Short Term Reserves are exclusive to the New Orleans Power Station unit.

**5. A summary of ENO’s transmission charges and revenues from the previous twelve month period**

The HSPM table below provides a summary of ENO’s transmission charges and revenues from the previous twelve-month period.

**Summary of ENO Transmission Charges and (Revenues)  
From the previous 12-month period (January – December 2022)**

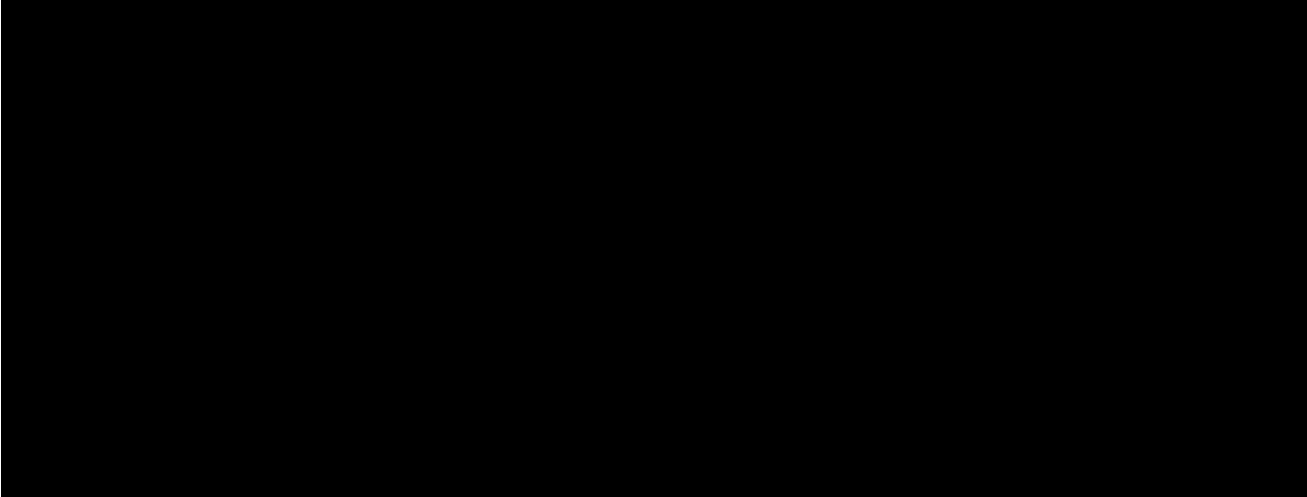




**6. Any changes approved by the ENO Operating Committee to the principles, practices, and protocols utilized to procure capacity and energy in MISO, including:**


**i. The manner of offering in generation and bidding and scheduling load into the Day-Ahead and Real Time Markets**

The information responsive to this component of the filing has been designated as HSPM.



**ii. ARR nominations**

The information responsive to this component of the filing has been designated as HSPM.



**iii. Other material aspects of any MISO-administered market interaction, if requested by the Advisors to the Council.**

The Company is not aware of any further information requested by the Advisors to the Council.

**7. Any unexpected material costs or market impediments that ENO is encountering within MISO**

ENO has not encountered unexpected material market impediments since MISO integration. Starting on February 1, 2016, ENO has been billed monthly for JOA Settlement

charges under Schedule 49—Cost Allocation for Available System Capacity Usage. For the period January 1, 2022, through December 31, 2022, ENO was billed approximately \$264,963 pursuant to Schedule 49.

**8. A list identifying any existing, enhanced and/or supplemental records series to be incorporated under the Entergy System Records Management and Retention Policy necessary to facilitate retention of data required to support SPO operations in MISO on behalf of ENO**

No further record series have been added beyond those reported previously.

**c. MISO’s Transmission Expansion Planning Process**

**1. Any proposed transmission projects by ENO and directives received by ENO from MISO to construct transmission**

The transmission projects planned and proposed by ENO are posted on the Company’s OASIS page<sup>3</sup> and are generally updated on a monthly basis. The posted report includes the status of the projects in the MISO Transmission Expansion Planning (“MTEP”) process.

On July 25, 2022, the Tranche 1 Long Range Transmission Plan projects (“LRTP”) were approved following FERC’s approval of MISO’s Sub-regional Cost Allocation, discussed in more detail below. On December 8, 2022, the MISO Board of Directors approved the MTEP22, Appendix A projects submitted by Transmission Owners, which contained one ENO transmission project.

One MTEP23 Target Appendix A project was submitted by ENO to MISO in September 2022, and reviewed at the MTEP23 South Subregional Planning Meeting on February 3, 2023. MISO’s presentations on this project and other projects in MISO South are posted with the meeting

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<sup>3</sup> [http://www.oasis.oati.com/EES/EESdocs/Construction\\_Plan.htm](http://www.oasis.oati.com/EES/EESdocs/Construction_Plan.htm)

materials.<sup>4</sup> At this meeting, ongoing Generator Interconnection studies were also reviewed. As with MTEP22, there will be no formal Market Congestion Planning Study as part of MTEP23.

MISO continues to focus on the LRTP process, which does not currently include any analysis of MISO South. The LRTP Futures include various load growth, electrification, generator retirement, and renewable energy assumptions. MISO plans on beginning analysis of LRTP projects for MISO South (*i.e.*, LRTP Tranche 3) in 2024 and does not currently have a timeline to begin working on the MISO North/South Interface (Tranche 4). For Tranche 2 and potentially beyond, MISO is in the process of updating the initial LRTP Resource Mix and Siting Assumptions, developing a set of three updated futures: 1A, 2A, and 3A. Future 2A is the focus for the Tranche 2 study, and it has not yet been determined whether another update will be necessary for Tranches 3 or 4. ENO continues its active participation in MTEP23 and in the discussions and analyses that are ongoing for LRTP.

**2. The status of developments within the MISO stakeholder process that could have a material effect on the allocation of MISO costs, including the cost of transmission investment included by MISO in its MTEP, to ENO.**

Since ENO's monitoring report filed in May 2022, MISO has worked with stakeholders through the Regional Expansion Criteria and Benefits ("RECB") Working Group to develop Multi-Value Project Tariff revisions for a more granular approach to cost allocation than the current Sub-Regional postage stamp tariff provisions filed with FERC on February 4, 2022, in Docket No. ER22-995-000 and accepted by FERC on May 18, 2022. All requests for rehearing

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<https://cdn.misoenergy.org/20230203%20SSPM1%20Item%2003b%20Review%20of%20Proposed%20Reliability%20Projects%20LA627753.pdf>

have been denied. Stakeholder discussions concerning these potential revisions are ongoing in the RECB Working Group.

At the April 12, 2022, meeting of the MISO Planning Subcommittee (“PSC”), MISO initiated discussion of developing a Regional Targeted Market Efficiency (“TMEP”)” project type that would utilize concepts from the interregional MISO-PJM TMEP process and traditional production cost analysis using PROMOD.<sup>5</sup> ENO understands that MISO will perform an exploratory study in MTEP23 but does not intend to recommend any projects resulting from this study.

See below for discussion of cost allocation proposals that may apply to certain new interregional transmission projects.

### **3. Material changes, if any, proposed by MISO or MISO stakeholders to MISO’s governance structure or allocation principles for the cost of transmission investment**

#### **i. Regional Planning**

Outside of the Regional Cost Allocation filing described above, no material changes have been proposed by MISO or MISO stakeholders to MISO’s governance structure or allocation principles for the cost of transmission investment since ENO’s May 2022 monitoring report.

#### **ii. Interregional Planning**

Since ENO’s May 2022 report was filed, MISO and Southwest Power Pool (“SPP”) completed their evaluation of potential transmission projects that would alleviate system congestion from expected generator interconnections through a Joint Targeted Interconnection Queue Study (“JTIQ”). Several projects were identified through this study, two of which were

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<sup>5</sup> **20220412 PSC Item 06c Address Congestion at Existing Resources in Planning (PAC 2021 1)**  
([https://cdn.misoenergy.org/20220412%20PSC%20Item%2006c%20Address%20Congestion%20at%20Existing%20Resources%20in%20Planning%20\(PAC-2021-1\)623909.pdf](https://cdn.misoenergy.org/20220412%20PSC%20Item%2006c%20Address%20Congestion%20at%20Existing%20Resources%20in%20Planning%20(PAC-2021-1)623909.pdf))

also identified in the LRTP and were approved by the MISO Board of Directors with the Tranche 1 LRTP projects. MISO and SPP are working on tariff language to describe the study process and a new method for cost allocation. Tariff revisions relevant to the planning process were presented to the MISO Planning Advisory Committee for stakeholder review and comment on April 26, 2022<sup>6</sup>. Regional Cost Allocation discussions for JTIQ projects are occurring in MISO’s RECB, last discussed on April 25, 2022, when MISO presented proposed tariff changes for stakeholder feedback.<sup>7</sup>

Also, since ENO’s last filing, MISO and SPP initiated a study process modeled after the MISO PJM Targeted Market Efficiency Project type and performed an analysis to identify potential projects in their 2022 Coordinated System Plan Study (“CSP”). No projects were identified in that study, but MISO and SPP are working on revisions to their Joint Operating Agreement (“JOA”) to add this project type and anticipate filing these revisions with FERC in 2023. Related to this effort, ENO’s May 2021 report included details relating to Case No. 20-1262 filed in the United States Court of Appeals for the D.C. Circuit which sought judicial review of FERC’s order directing a cost allocation for MISO’s share of the costs of lower voltage economic projects that are planned with PJM Interconnection, L.L.C. (“PJM”). This request for review was denied on July 15, 2022.

#### **d. Interim Cost-Benefit Analysis**

Please see Attachment 4 titled “2022 MISO Savings\_ENOL\_Final.pptx,” which provides the calculation of MISO energy- and capacity-related savings through 2022.

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<sup>6</sup><https://cdn.misoenergy.org/20230426%20PAC%20Item%2006c%20JTIQ%20Update%20and%20Draft%20Tariff%20Presentation628664.pdf>

<sup>7</sup> <https://cdn.misoenergy.org/20230425%20RECBWG%20Item%2002%20JTIQ%20Tariff%20Changes628670.pdf>

**1. Identification of any material changes to ENO’s generation portfolio, such as the retirement or addition of a long-term resource, and an estimate of the impact of that change (if any) on the savings identified in the Interim Cost-Benefit Analysis**

On November 1, 2022, ENO commenced receiving energy under a 20-year power purchase agreement (“PPA”) from Iris Solar, a 50 MW project located in Livingston Parish, Louisiana.

## CERTIFICATE OF SERVICE

**Docket No. UD-11-01**

I, the undersigned counsel, hereby certify that a copy of the above and foregoing has been served on the persons listed below by facsimile, by hand delivery, by electronic mail, or by depositing a copy of same with the United States Postal Service, postage prepaid, addressed as follows:

Ms. Lora W. Johnson, CMC, LMMC  
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Council of the City of New Orleans  
City Hall - Room 1E09  
1300 Perdido Street  
New Orleans, LA 70112

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Council Utilities Regulatory Office  
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Frederick H. Ritts  
F. Alvin Taylor  
Holland & Knight LLP  
800 17<sup>th</sup> Street N.W., Suite 1100  
Washington, DC 20006

New Orleans, Louisiana, this 11<sup>th</sup> day of May 2023.



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Keith Wood

**BEFORE THE  
COUNCIL OF THE CITY OF NEW ORLEANS**

**INVESTIGATION OF THE )  
POTENTIAL COSTS AND BENEFITS )  
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VERSUS CONTINUATION OF THE )  
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COORDINATOR OF TRANSMISSION )  
WITH ENHANCEMENTS )**

**DOCKET NO. UD-11-01**

**ATTACHMENT 1**

**HIGHLY SENSITIVE  
PROTECTED MATERIAL  
INTENTIONALLY OMITTED**

**MAY 2023**

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**ATTACHMENT 2**

**HIGHLY SENSITIVE  
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**MAY 2023**

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**DOCKET NO. UD-11-01**

**ATTACHMENT 3**

**HIGHLY SENSITIVE  
PROTECTED MATERIAL  
INTENTIONALLY OMITTED**

**MAY 2023**

# MISO Historical Benefits Calculation

Results of 2022 ENOL Analysis

March 2023

# Overview

- The results of the 2022 MISO savings calculation indicate that ENOL continues to experience meaningful benefits from MISO participation -- \$46 million of benefits in 2022 compared to standalone BA operations
- ENOL's 2022 benefits represent an increase from those estimated for 2021
  - The increase is attributed to an increase in ENOL's energy-related benefits caused by significantly higher gas prices and LMPs in 2022 compared to 2021
- The following slides discuss the 2022 results in more detail.

# Highlights of the energy-related cost/benefit calculation

- An important difference between MISO and standalone BA operations involves the commitment of flexible resources to meet needs
- The methodology used for estimating “flex savings” identifies whether MISO’s commitment of ENOL’s resources is sufficient to meet standalone BA flexibility requirements
  - If the MISO commitment is sufficient, the analysis assumes no flex savings attributed to MISO participation
  - If the MISO commitment is not sufficient, the analysis estimates the cost of the additional flexibility required based on the opportunity cost of operating units for flex as opposed to operating them at their preferred level given the LMP
- As such, the additional cost of flex, and therefore flex savings, can change when:
  - The estimate of standalone BA flex requirements changes or the amount of flex committed by MISO changes
  - Gas prices and the LMPs change
- The additional cost of flex more than doubled between 2021 and 2022, causing a significant increase in ENOL flex savings
  - This increase was driven by significant increases in gas prices and LMPs.

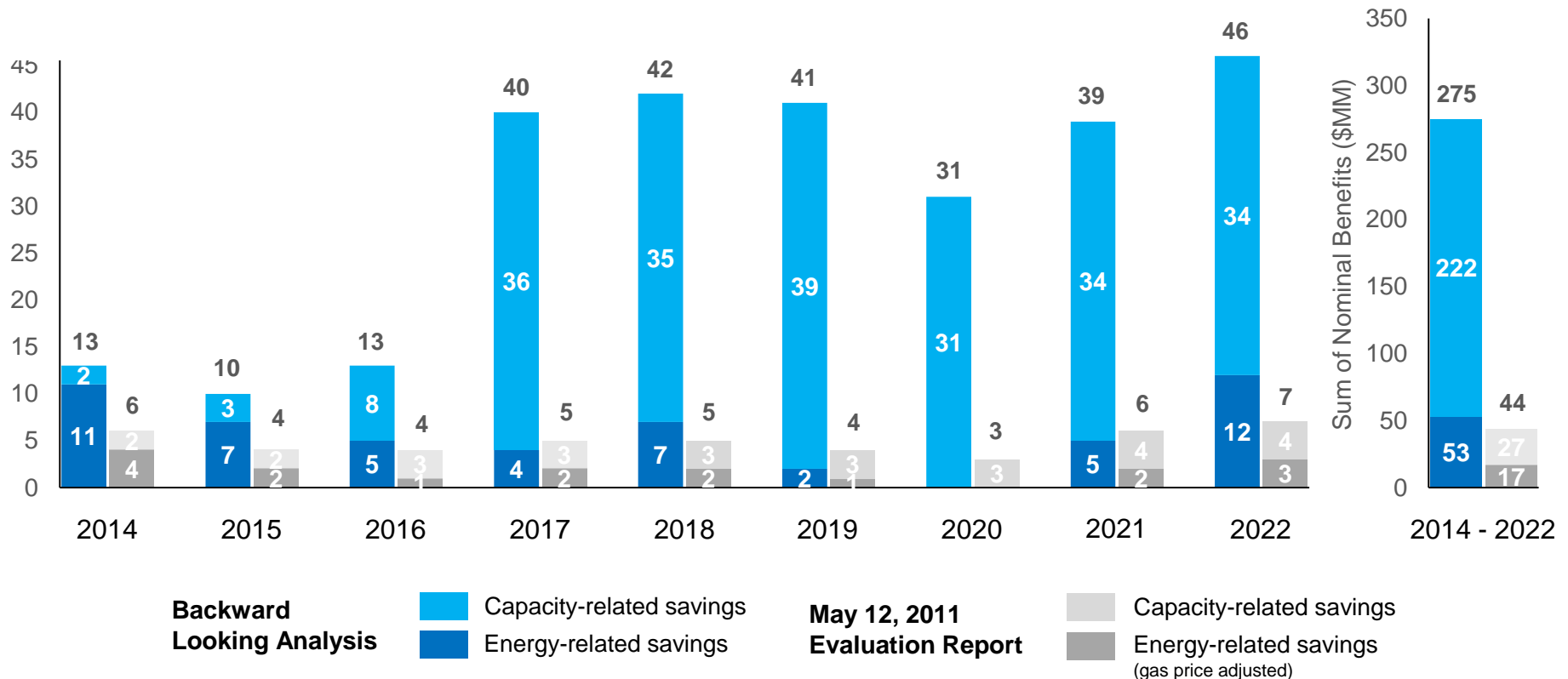
# Highlights of the capacity-related cost/benefit calculation

- The capacity-related cost/benefit calculation is based on two main items:
  - First, a comparison of the MW of long-term planning reserves required in MISO versus what would have been required had ENOL not joined an RTO<sup>1</sup>
  - Second, an estimate of the value of this difference in MW -- the avoided cost of the additional planning reserves -- based on the long-term cost of capacity
- There were small changes in both items between 2021 and 2022 but no net change in capacity-related benefits.

<sup>1</sup> It is important to note that the calculation produces a conservative estimate of capacity-related benefits given the way this first item is measured. The impact of forced outage rates is included in the calculation of the long-term planning reserves required in MISO but not in the standalone calculation. If it were included in the standalone calculation, standalone requirements would be larger, the difference between the two cases would be larger, and capacity-related benefits would be larger.

# ENOL's estimated benefits from MISO participation

- ENOL continues to experience meaningful benefits from MISO participation -- \$46 million of benefits in 2022 compared to standalone BA operations.



**Notes:**

- The May 12, 2011 Evaluation Report assumed continuation of the ESA for all OpCos except EAL thru 2015, and all OpCos except EAL and EML thereafter. The Backward-Looking analysis reflects continuation of the ESA for all OpCos except EAL thru November, 2015, for all OpCos except EAL and EML thru August, 2016, and termination of the ESA thereafter.
- Energy-related savings include incremental administrative costs.
- 2017 – 2022 capacity-related savings corresponding to the Backward-Looking analysis reflects the impact of forced outage rates on MISO requirements but not on standalone requirements.