NERC
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2024 Long-Term Reliability Assessment

December 2024

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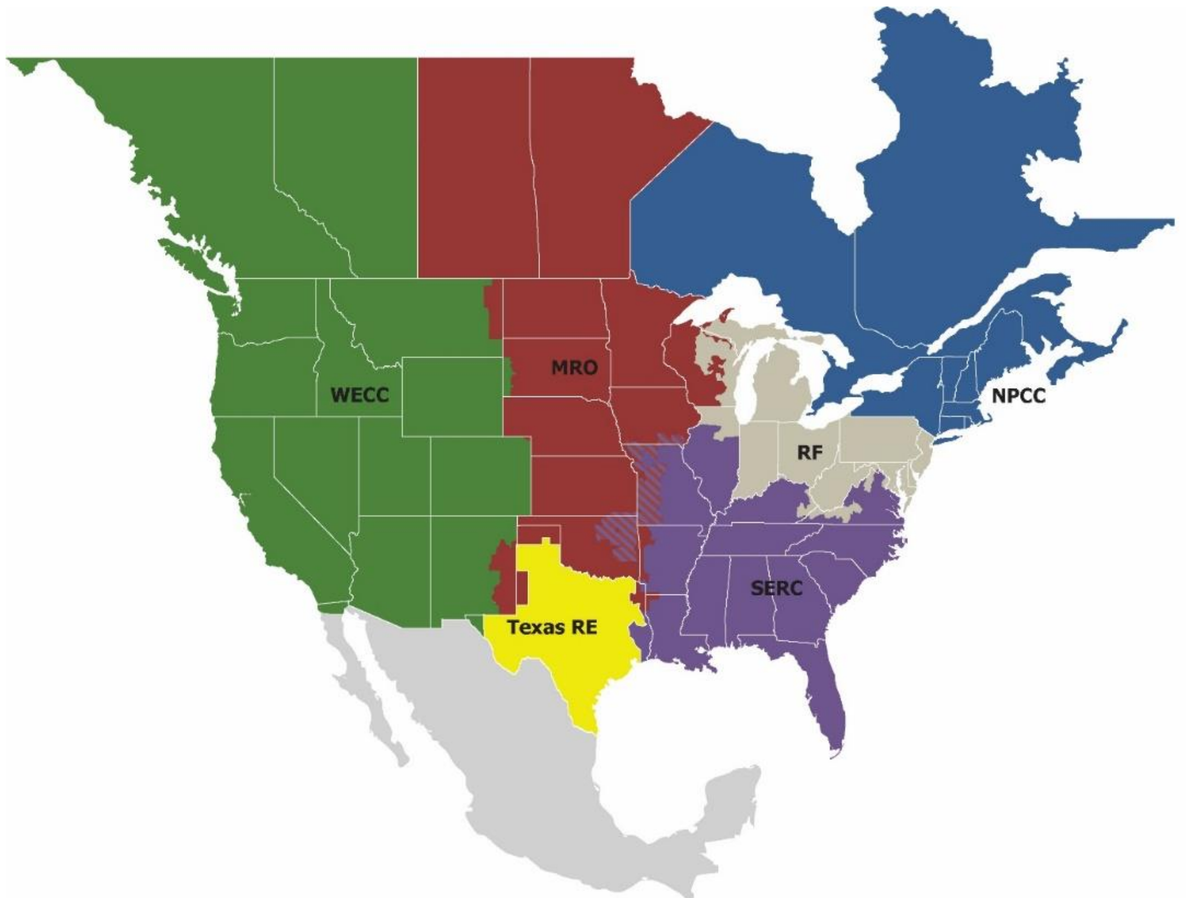
Preface

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 on the map and in the 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	WECC

About This Assessment

NERC is a not-for-profit international regulatory authority with the mission to assure the reliability of the BPS in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC's area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the ERO for North America and is subject to oversight by the U.S. Federal Energy Regulatory Commission (FERC, also known as the Commission) and governmental authorities in Canada. NERC's jurisdiction includes users, owners, and operators of the North American BPS and serves more than 334 million people. Section 39.11(b) of FERC's regulations provides that "The Electric Reliability Organization shall conduct assessments of the adequacy of the Bulk-Power System in North America and report its findings to the Commission, the Secretary of Energy, each Regional Entity, and each Regional Advisory Body annually or more frequently if so ordered by the Commission."

Development Process

This assessment was developed based on data and narrative information NERC collected from the six Regional Entities (see **Preface**) on an assessment area basis (see **Regional Assessments Dashboards**) to independently evaluate the long-term reliability of the North American BPS while identifying trends, emerging issues, and potential risks during the upcoming 10-year assessment period. The Reliability Assessment Subcommittee (RAS), at the direction of NERC's Reliability and Security Technical Committee (RSTC), supported the development of this assessment through a comprehensive and transparent peer-review process that leverages the knowledge and experience of system planners, RAS members, NERC staff, and other subject matter experts; this peer-review process ensures the accuracy and completeness of all data and information. This assessment was also reviewed by the RSTC, and the NERC Board of Trustees subsequently accepted this assessment and endorsed the key findings.

NERC develops the *Long-Term Reliability Assessment* (LTRA) annually in accordance with the ERO's Rules of Procedure[1] and Title 18, § 39.11[2] of the Code of Federal Regulations;[3] this is also required by Section 215(g) of the Federal Power Act, which instructs NERC to conduct periodic assessments of the North American BPS.[4]

Considerations

This assessment was developed by using a consistent approach for projecting future resource adequacy through the application of the ERO Reliability Assessment Process.[5] Projections in this assessment are not predictions of what will happen; they are based on information supplied in July 2024 about known system changes with updates incorporated prior to publication. This *2024 LTRA* assessment period includes projections for 2025–2034; however, some figures and tables examine data and information for the 2024 year. NERC's standardized data reporting and instructions were developed through stakeholder processes to promote data consistency across all the reporting entities that are further explained in the **Demand Assumptions and Resource Categories** section of this report. Reliability impacts related to cyber and physical security risks are not specifically addressed in this assessment; it is primarily focused on resource adequacy and operating reliability. NERC leads a multi-faceted approach through NERC's Electricity Information Sharing and Analysis Center (E-ISAC) to promote mechanisms to address physical and cyber security risks, including exercises and information-sharing efforts with the electric industry.

The LTRA data used for this assessment creates a reference case dataset that includes projected on-peak demand and system energy needs, demand response (DR), resource capacity, and transmission projects. Data from each Regional Entity is also collected and used to identify notable trends and emerging issues. This bottom-up approach captures virtually all electricity supplied in the United States, Canada, and a portion of Baja California, Mexico. NERC's reliability assessments are developed to inform industry, policymakers, and regulators as well as to aid NERC in achieving its mission to ensure the reliability of the North American BPS.

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[1] NERC Rules of Procedure - Section 803

[2] Section 39.11(b) of FERC's regulations states the following: "The Electric Reliability Organization shall conduct assessments of the adequacy of the Bulk-Power System in North America and report its findings to the Commission, the Secretary of Energy, each Regional Entity, and each Regional Advisory Body annually or more frequently if so ordered by the Commission."

[3] Title 18, § 39.11 of the Code of Federal Regulations

[4] BPS reliability, as defined in the How NERC Defines BPS Reliability section of this report, does not include the reliability of the lower-voltage distribution systems that account for 80% of all electricity supply interruptions to end-use customers.

[5] ERO Reliability Assessment Process Document

Assumptions

In this *2024 LTRA*, the baseline information on future electricity supply and demand is based on several assumptions:[6]

- Supply and demand projections are based on industry forecasts submitted and validated in July 2024. Any subsequent demand forecast or resource plan changes may not be fully represented; however, updated data submitted throughout the report drafting time frame have been included where appropriate.
- Peak demand is based on average peak weather conditions and assumed forecast economic activity at the time of submittal. Weather variability is discussed in each Regional Entity's self-assessment.
- Generation and transmission equipment will perform at historical availability levels.
- Future generation and transmission facilities are commissioned and in service as planned, planned outages take place as scheduled, and retirements take place as proposed.
- Demand reductions expected from dispatchable and controllable DR programs will yield the forecast results if they are called on.
- Other peak demand-side management programs, such as energy efficiency (EE) and price-responsive DR, are reflected in the forecasts of total internal demand.

Reading This Report

This report is compiled into two major parts:

1. **A reliability assessment of the North American BPS with the following goals:**
    a. Evaluate industry preparations that are in place to meet projections and maintain reliability
    b. Identify trends in demand, supply, reserve margins, and probabilistic resource adequacy metrics
    c. Identify emerging reliability issues
    d. Focus the industry, policymakers, and the general public's attention on BPS reliability issues
    e. Make recommendations based on an independent NERC reliability assessment process
2. **A regional reliability assessment that contains the following:**
    a. A 10-year data dashboard
    b. Summary assessments for each assessment area
    c. A focus on specific issues identified through industry data and emerging issues
    d. A description of regional planning processes and methods used to ensure reliability

[6] Forecasts cannot precisely predict the future. Instead, many forecasts report probabilities with a range of possible outcomes. For example, each regional demand projection is assumed to represent the expected midpoint of possible future outcomes. This means that a future year's actual demand may deviate from the projection due to the inherent variability of the key factors that drive electrical use, such as weather. In the case of the NERC regional projections, there is a 50% probability that actual demand will be higher than the forecast midpoint and a 50% probability that it will be lower (50/50 forecast).

Executive Summary

In the *2024 LTRA*, NERC finds that most of the North American BPS faces mounting resource adequacy challenges over the next 10 years as surging demand growth continues and thermal generators announce plans for retirement. New solar PV, battery, and hybrid resources continue to flood interconnection queues, but completion rates are lagging behind the need for new generation. Furthermore, the performance of these replacement resources is more variable and weather-dependent than the generators they are replacing. As a result, less overall capacity (dispatchable capacity in particular) is being added to the system than what was projected and needed to meet future demand. **The trends point to critical reliability challenges facing the industry: satisfying escalating energy growth, managing generator retirements, and accelerating resource and transmission development.**

This *2024 LTRA* is the ERO's independent assessment and comprehensive report on the adequacy of planned BPS resources to reliably meet the electricity demand across North America over the next 10 years; it also identifies reliability trends, emerging issues, and potential risks that could impact the long-term reliability, resilience, and security of the BPS. The findings presented here are vitally important to understanding the reliability risks to the North American BPS as it is currently planned and being influenced by government policies, regulations, consumer preferences, and economic factors. Summaries of the report sections are provided below.

Capacity and Energy Risk Assessment

The **Capacity and Energy Risk Assessment** section of this report identifies potential future electricity supply shortfalls under normal and extreme weather conditions. NERC's evaluation of resource adequacy in the LTRA considers both the capacity of the resources and the capability of resources to convert inputs (e.g., fuel, wind, and solar irradiance) into electrical energy. NERC used both a probabilistic assessment and a reserve margin analysis to assess the risk of future electricity supply shortfalls. Both are forward-looking snapshots of resource adequacy that are tied to industry forecasts of electricity supplies, demand, and transmission development.

Areas categorized as **High Risk** fall below established resource adequacy criteria in the next five years. High-risk areas are likely to experience a shortfall in electricity supplies at the peak of an average summer or winter season. Extreme weather, producing wide-area heat waves or deep-freeze events, poses an even greater threat to reliability. **Elevated-Risk** areas meet resource adequacy criteria, but analysis indicates that extreme weather conditions are likely to cause a shortfall in area reserves. **Normal-Risk** areas are expected to have sufficient resources under a broad range of assessed conditions. The results of the risk assessment are depicted in **Figure 1**.

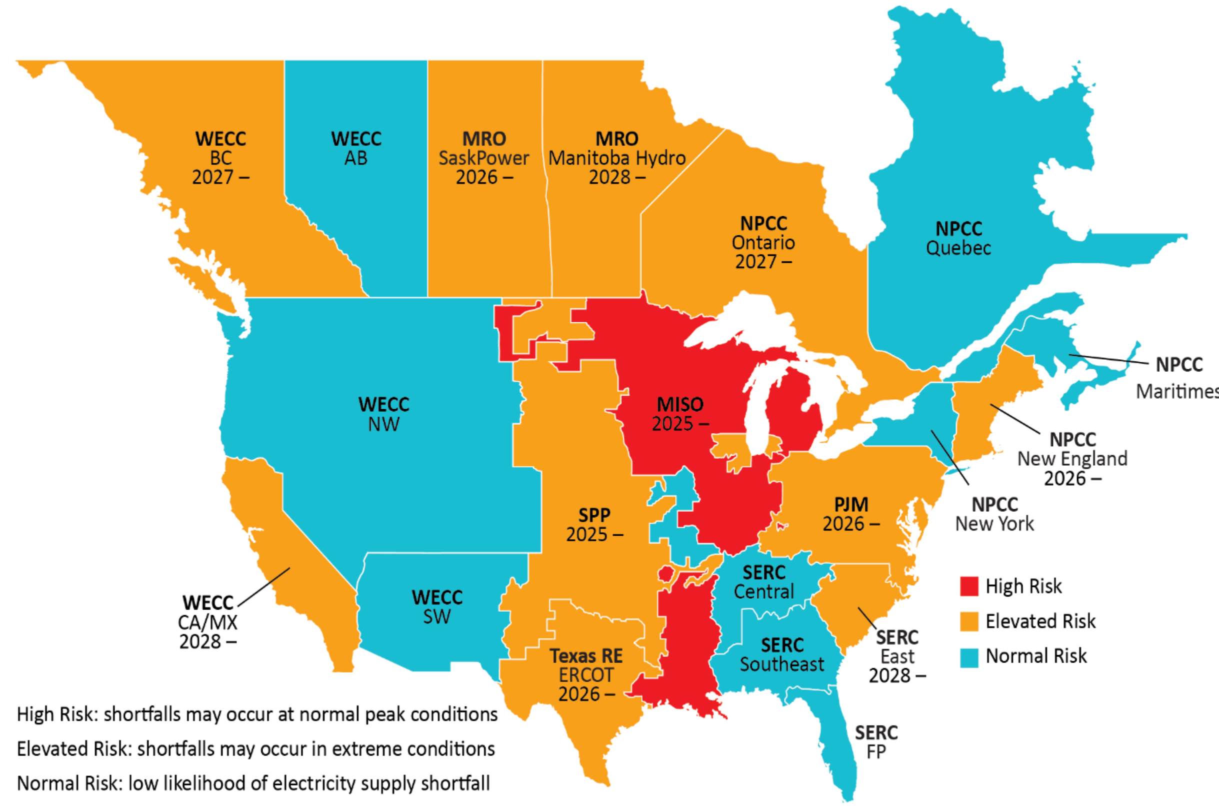


Figure 1: Risk Area Summary 2025–2029

Regional Assessments Dashboards

The **Regional Assessments Dashboards** section contains dashboards and summaries for each of the 20 assessment areas, developed from data and narrative information collected by NERC from the six Regional Entities. Probabilistic Assessments (ProbA) are presented that identify energy risk periods and describe the contributing demand and resource factors.

Table 1: Capacity and Energy Risk Assessment Area Summary			
Area	**Risk Level**	**Years**	**Risk Summary**
MISO	High	2025 -	Resource additions are not keeping up with generator retirements and demand growth. Reserve margins fall below Reference Margin Levels (RML) in winter and summer.
Manitoba	Elevated	2028 -	Potential resource shortfalls in low-hydro conditions, driven by rising demand.
SaskPower	Elevated	2026 -	Risk of insufficient generation during fall and spring when more generators are off-line for maintenance.
Southwest Power Pool (SPP)	Elevated	2025 -	Potential energy shortfalls during peak summer and winter conditions arise from low wind conditions and natural gas fuel risk.
New England	Elevated	2026 -	Strong demand growth and persistent winter natural gas infrastructure limitations pose risks of supply shortfalls in extreme winter conditions.
Ontario	Elevated	2027 -	Reserve margins fall below RMLs as nuclear units undergo refurbishment and some current resource contracts expire. Demand growth is also adding to resource procurement needs.
PJM	Elevated	2026 -	Resource additions are not keeping up with generator retirements and demand growth. Winter seasons replace summer as the higher-risk periods due to generator performance and fuel supply issues.
SERC-East	Elevated	2028 -	Demand growth and planned generator retirements contribute to growing energy risks. Load is at risk in extreme winter conditions that cause demand to soar while supplies are threatened by generator performance, fuel issues, and inability to obtain emergency transfers.
ERCOT	Elevated	2026 -	Surging load growth is driving resource adequacy concerns as the share of dispatchable resources in the mix struggles to keep pace. Extreme winter weather has the potential to cause the most severe load-loss events.
California-Mexico	Elevated	2028 -	Demand growth and planned generator retirements can result in supply shortfalls during wide-area heat events that limit the supply of energy available for import.
British Columbia	Elevated	2027 -	Drought and extreme cold temperatures in winter can result in periods of insufficient operating reserves when neighboring areas are unable to provide excess energy.

Risk from Additional Generator Retirements

Plans for generator retirements continue at similar pace and scale to levels reported in the *2023 LTRA*. Confirmed generator retirements (52 GW by 2029 and 78 GW over the 10-year period) are accounted for in the Capacity and Energy Risk Assessment above. Economic, policy, and regulatory factors spur further fossil-fired generators to retire in the 10-year horizon. Announced retirements, which include many generators that have not begun formal deactivation processes with planning entities, total 115 GW over the 10-year period. The effect of all retirements on the assessment area Planning Reserve Margins (PRM) can be seen in **Figure 2**. On-peak reserve margins fall below RMLs; the levels required by jurisdictional resource adequacy requirements) in the next 10 years in almost every assessment area, signaling an accelerating need for more resources.

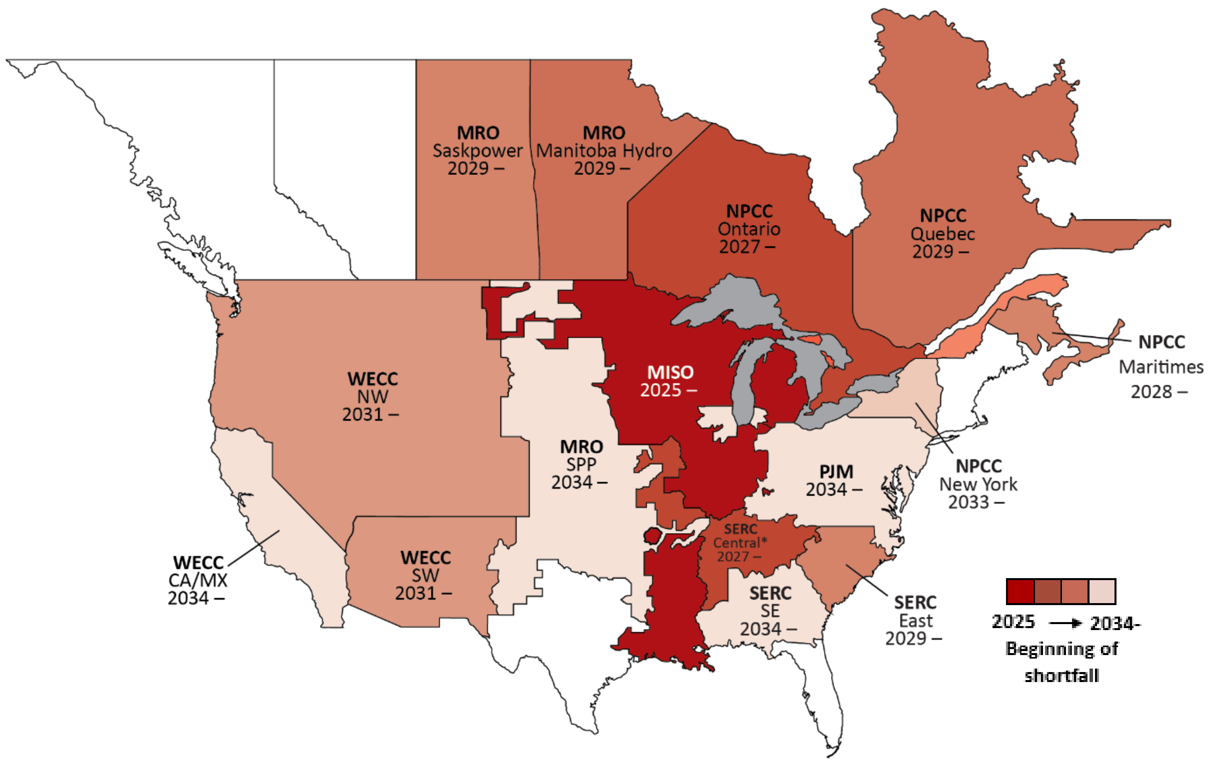


Figure 2: Projected Reserve Margin Shortfall Areas

Changing Resource Mix and Reliability Implications

New resource additions continue at a rapid pace. Solar PV remains the overwhelmingly predominant generation type being added to the BPS followed by battery and hybrid resources, natural-gas-fired generators, and wind turbines. New resource additions fell short of industry's projections from the *2023 LTRA* with the notable exception of batteries, which added more nameplate capacity than was reported in development last year.

As older fossil-fired generators retire and are replaced by more solar PV and wind resources, the resource mix is becoming increasingly variable and weather-dependent. Solar PV, wind, and other variable energy resources (VER) contribute some fraction of their nameplate capacity output to serving demand based on the energy-producing inputs (e.g., solar irradiance, wind speed). The new resources also have different physical and operating characteristics from the generators that they are replacing, affecting the essential reliability services (ERS) that the resource mix provides. As generators are deactivated and replaced by new types of resources, ERS must still be maintained for the grid to operate reliably.

Natural-gas-fired generators are a vital BPS resource. They provide ERSs by ramping up and down to balance a more variable resource mix and are a dispatchable electricity supply for winter and times when wind and solar resources are less capable of serving demand. Natural gas pipeline capacity additions over the past seven years are trending downward, and some areas could experience insufficient pipeline capacity for electric generation during peak periods.

Trends and Reliability Implications

Demand and transmission trends affect long-term reliability and the sufficiency of electricity supplies. A summary for each is provided below and further discussed within the **Demand Trends and Implications** and **Transmission Development and Interregional Transfer Capability** sections.

Demand Trends

Electricity peak demand and energy growth forecasts over the 10-year assessment period continue to climb; demand growth is now higher than at any point in the past two decades. Increasing amounts of large commercial and industrial loads are connecting rapidly to the BPS. The size and speed with which data centers (including crypto and AI) can be constructed and connect to the grid presents unique challenges for demand forecasting and planning for system behavior. Additionally, the continued adoption of electric vehicles and heat pumps is a substantial driver for demand around North America. The aggregated BPS-wide projections for both winter and summer have increased massively over the 10-year period:

- The aggregated assessment area summer peak demand forecast is expected to rise by 15% for the 10-year period: 132 GW this LTRA up from over 80 GW in the *2023 LTRA*.
- The aggregated assessment area winter peak demand forecast is expected to rise over almost 18% for the 10-year period: 149 GW this LTRA up from almost 92 GW in the *2023 LTRA*.

Transmission Trends

For the first time in recent years, transmission projections reported for the LTRA reflect a significant increase in transmission development. This year's cumulative level of 28,275 miles of transmission (>100 kV) in various stages of development for the next 10 years is substantially higher than the *2023 LTRA* 10-year projections (18,675 miles) and is above the average of the past five years of NERC's LTRA reporting on average (18,900 miles of transmission planning projects in each 10-year period published in the last five LTRAs). Transmission in construction has yet to increase substantially; rather, the large increase in transmission projects is seen in planning stages of development.

New transmission projects are being driven to support new generation and enhance reliability. Transmission development continues to be affected by siting and permitting challenges. Of the 1,160 projects that are under construction or in planning for the next 10 years, 68 projects totaling 1,230 miles of new transmission are delayed by siting and permitting issues, according to data collected for the LTRA. Questions of cost allocation and recovery can also challenge transmission development when the benefits apply to more than one area, as often occurs with projects that enhance interregional transfer capability.

In NERC's separate Interregional Transfer Capability Study (ITCS), which was performed to meet requirements contained in the Fiscal Responsibility Act of 2023, NERC found that an additional 35 GW of transfer capability across the United States would strengthen energy adequacy under extreme conditions. Increasing transfer capability between neighboring transmission systems has the potential to alleviate energy shortfalls in some areas identified in this LTRA's **Capacity and Energy Risk Assessment**. Conversely, when resource plans are developed that address these same energy shortfalls, such as through resource additions, demand-side management initiatives, or changes to generator retirement plans, the need for increased transfer capability will also change. Planners have options for reducing energy adequacy risks from extreme weather. Selecting the best course of action will depend on weighing these options against various engineering, economic, policy, reliability, and resilience objectives.

The ITCS provides foundational insights that facilitate stakeholder analysis and actions; it is not a transmission plan. In the future, NERC will extend the study beyond the congressional mandate to include transfer capabilities from the United States to Canada and among Canadian provinces.

Emerging Issues

The **Emerging Issues** section discusses developments and trends that have the potential to substantially change future long-term demand and resource projections, resource availability, and reliable operations of the BPS. Topics include data centers and large industrial loads, battery energy storage systems, electric vehicles and load, and energy drought. NERC's RSTC has formed new task forces where needed to address emerging issues.

Recommendations

To address the energy and capacity risks identified in this LTRA, NERC recommends the following priority actions:

1. <u>Integrated Resource Planners, market operators, and regulators</u>: **Carefully manage generator deactivations.** Independent System Operator/Regional Transmission Organizations (ISO/RTOs) should evaluate mechanisms and process enhancements for obtaining information on expected generator retirements that would support early identification of reliability risks. State and provincial regulators and ISO/RTOs need to have mechanisms they can employ to extend the service of generators seeking to retire when they are needed for reliability, including the management of energy shortfall risks. Regulatory and policy-setting organizations must use their full suite of tools to manage the pace of retirements and ensure that replacement infrastructure can be developed and placed in service.
2. <u>NERC and Regional Entities:</u> **Improve the LTRA by incorporating new analysis and criteria to inform stakeholders of future reliability risks.** NERC increased the frequency of the ProbA from biennial to annual and included unserved energy and load-loss metrics as the basis for risk analysis in this year's LTRA. To be more effective in using energy criteria and outputs of probabilistic analysis, NERC must specify consistent methods and assumptions for assessment areas to follow in preparing the annual ProbA. NERC and the Regional Entities, in consultation with the RSTC, should also continue to enhance NERC's LTRA to assess ERSs in the future system and the potential impact of new and evolving electricity market practices, regulations, or legislation on resource adequacy. Finally, NERC should work with the Regional Entities to perform wide-area energy analysis with modeled interregional transfer capability. Wide-area energy analysis will support the evaluation of extreme weather and regional fuel supply issues on an interconnection level.
3. <u>Regulators and Policymakers:</u> **Streamline siting and permitting processes to remove barriers to resource and transmission development.** As ISO/RTOs continue looking for opportunities to speed transmission planning processes, delays from siting and permitting activities will need to be reduced. These are the most common causes for delayed transmission projects. Support from regulators and policymakers at the federal, state, and provincial levels is urgently needed.
4. <u>Regulators, electric industry, and gas industry member organizations:</u> **Implement a framework for addressing the operating and planning needs of the interconnected natural gas-electric energy system.** Various initiatives were launched in the past year to address the reliability needs that arise from the complexity of interconnecting natural gas and electric infrastructure. Voluntary actions taken by the natural gas industry in response to the North American Energy Standards Board (NAESB) Forum report are a positive step toward improving winter readiness. The National Association of Regulatory Utility Commissioners (NARUC) launched its Gas-Electric Alignment for Reliability (GEAR) task force this year and recently created the Natural Gas Readiness Forum. For its part, NERC continues to collaborate extensively with industry and policymakers. NERC has enhanced its Reliability Standards requiring generators to prepare for winter extremes, implement training, and establish communication protocols between generators and grid operators. Current standards projects encompass extreme weather planning and energy assurance requirements. NERC will continue to provide full support to initiatives aimed at achieving a reliable interconnected energy system and urges regulators and policymakers to support needed avenues of coordination between the two sectors.
5. <u>Regional transmission organizations, independent system operators, and FERC:</u> **Continue to ensure essential reliability services are maintained.** The changing composition of the North American resource mix calls for more robust planning approaches to ensure adequate ERSs.[7] Retiring conventional generation is being replaced with large amounts of wind and solar; planning considerations must adapt with more attention to ERSs. As replacement resources are interconnected, these new resources should be capable of supporting voltage, frequency, ramping, and dispatchability. Many technologies can contribute to ERSs, including variable energy resources; however, policies and market mechanisms need to reflect these requirements to ensure these services are provided and maintained. Regional transmission organizations, independent system operators, and FERC have taken steps in this direction, and these positive steps must continue.

In addition to these priorities, NERC recommends continued progress in areas identified previously in NERC's LTRA and other assessment reports. All recommendations are listed in the **Recommendations and ERO Actions Summary** section.

[7] Essential Reliability Services: https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/ERS%20Abstract%20Report%20Final.pdf

Capacity and Energy Assessment

The resource mix transformation is making traditional capacity-based adequacy criteria obsolete. Resource Planners and state and provincial policymakers use resource adequacy criteria to ensure sufficient resources are available to meet demand. In their application, current capacity-based adequacy criteria were not designed to differentiate between the scenarios, size, frequency, duration, and timing of energy shortfalls. This has become increasingly important as the resource transformation evolves from capacity-based resources with assured and stored energy supplies to energy-constrained resources that are increasingly impacted by weather and environmental conditions. Therefore, supplemental criteria must be adapted to properly assess system adequacy and help determine appropriate solutions. This year's LTRA includes probabilistic indices to measure these additional dimensions of risk and provide a more robust approach to understanding risk of inadequacy in future plans.

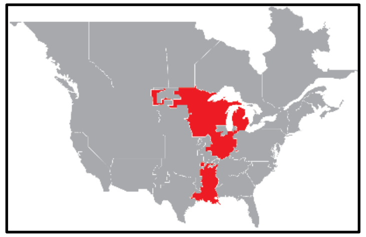
Assessment Approach

NERC is using two approaches in this LTRA to assess future resource capacity and energy risk; both are forward-looking snapshots of resource adequacy that are tied to industry forecasts of electricity supplies, demand, and transmission development:

- Assessing load-loss metrics determined from probability-based simulation of projected demand and resource availability over all hours. This approach identifies high-risk periods and potential energy constraints resulting in load-loss events. The 2024 ProbA is performed for each assessment area and examines the system as planned for the years 2026 and 2028. Loss-of-load hours (LOLH) and expected unserved energy (EUE) from NERC's ProbA are used to identify risk levels.
- Comparing the margin between projected resources and peak net demand, or reserve margin, to a reserve margin target (known as RML) that represents the accepted level of risk based on a probability-based loss-of-load analysis.

See the **Demand Assumptions and Resource Categories** for further details on these approaches. Assessment area dashboards (see **Regional Assessments Dashboards**) provide resource capacity and energy risk assessment results for all areas.

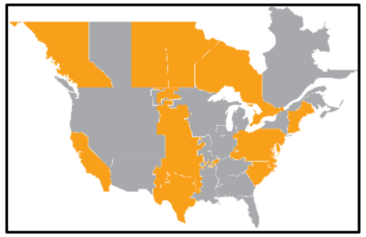
Risk Categories



An assessment area is **high risk** (see **Figure 1**) when established resource adequacy targets or requirements are not met during this assessment period. Regulatory authorities or market operators establish resource adequacy targets. Most targets in North America are currently based on a 1-day/event load loss in a 10-year planning requirement. See the **Summary of Planning Reserve Margins and Reference Margin Levels by Assessment Area**. Recently, regulators and policymakers in many states and market areas have begun considering or developing resource adequacy targets based on additional criteria that can better address energy risks and extreme weather-related supply disruption.[8] High-risk areas are likely to experience a shortfall in electricity supplies at the peak of an average summer or winter season. Unusual heat waves or deep-freeze events pose an even greater threat to reliability.

For the *2024 LTRA*, assessment areas are classified as high risk based on an evaluation of the following criteria for each of the first five years of the LTRA period (i.e., 2025–2029):

- Annual LOLH exceeds 2.4 hours/year for one or more years in the ProbA.
- Annual normalized EUE exceeds 0.002% (20 ppm) for one or more years in the ProbA.
- Resource adequacy target(s) established by regulatory authority or market operator are not met.

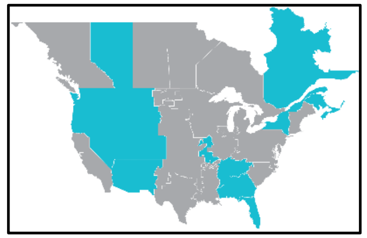


An assessment area is considered an **elevated risk** when it meets the established resource adequacy target or requirement, but probabilistic or deterministic analysis of conditions that are plausible but more extreme than normal seasonal peaks are likely to cause shortfall in area reserves. More extreme conditions can include temperatures that result in above-normal demand levels, low resource output or availability, and/or disruption of normal electricity transfers. In the analysis, elevated risk may be found by modeling above-normal demand and low resource availability. The risk can also be identified by examining output data from probabilistic analysis tools to determine the underlying conditions for load-loss events. Simply put, elevated-risk areas meet resource adequacy requirements but may face challenges meeting load under extreme conditions. For the *2024 LTRA*, assessment areas are classified as elevated risk based

[8] See the NERC-National Academy of Engineering Workshop Report *Evolving Planning Criteria for a Sustainable Power Grid*.

on an evaluation of the following criteria for each of the first five years of the LTRA period (i.e., 2025–2029):

- Annual LOLH is between 0.1 and 2.4 hours/year for one or more years in the ProbA.
- Annual normalized EUE is less than 0.002% (20 ppm) but non-zero for one or more years in the ProbA.
- Resource adequacy target(s) established by regulatory authority or market operator are met, but plausible scenarios of above-normal demand and/or low-resource conditions associated with a once-per-decade event indicate risk of load loss.



NERC assesses areas as **normal risk** when resource adequacy criteria are met and there is a low likelihood of electricity supply shortfall even when demand is above forecasts or resource performance is abnormally low (e.g., above-normal forced outages or low VER performance). Although areas categorized as normal risk are expected to have sufficient resources for plausible extreme[9] conditions, they are not immune to the effects of high-impact, low-frequency weather events that affect demand and generation simultaneously. For the *2024 LTRA*, assessment areas are classified as normal risk based on an evaluation of the following criteria for each of the first five years of the LTRA period (i.e., 2025–2029):

- Annual LOLH is below 0.1 hours/year.
- Annual normalized EUE is negligible or zero.
- Resource adequacy target(s) established by regulatory authority or market operator are met and reserves are expected to be available in plausible scenarios of above normal demand and/or low resource conditions associated with a once-per-decade event indicate risk of load loss.

Application of the Risk Criteria: NERC uses industry-provided demand and resource information and the results from probabilistic assessments performed by NERC Regional Entities, ISO/RTOs, and regulated utilities to determine risk of energy and capacity shortfalls. The methods, assumptions, and approaches used by entities to perform probabilistic assessments affect the results and outputs. In this year's LTRA, NERC incorporated new probabilistic assessment criteria (LOLH and EUE) from the NERC-National Academy of Engineering Workshop Report *Evolving Planning Criteria for a Sustainable Power Grid* alongside established reserve margin criteria. In instances where an assessment area's probabilistic assessment results and reserve margins give mixed indications as to the risk category, adherence to resource adequacy targets (e.g., required RML and load-loss criteria) established by regulatory jurisdictions took precedence. Any other apparent contradictions with metrics and criteria were generally assessed according to results of all-hours probabilistic analysis.

High-Risk Area Details

Most areas are projected to have electricity supply resources to meet demand forecasts associated with normal weather. However, the following areas (listed in order of appearance on the **Regional Assessments Dashboards**) do not meet resource adequacy criteria at some point during the next five years, indicating that the supply of electricity for these areas is likely to be insufficient and more firm resources are needed.

MISO

Additional coal-fired generator retirements and slower-than-anticipated resource additions since the *2023 LTRA* have caused a sharp decline in anticipated resources beginning next summer (2025). In addition, MISO's peak demand forecast has risen in 2026 and later, further lowering reserve margins compared to the *2023 LTRA*. PRMs in MISO for both summer and winter are projected to fall below the RML reserve margin requirements as new generation is insufficient to make up for generator retirements and load growth (**Figure 3** and **Figure 4**). Delays to generator construction in MISO result in a 2.7 GW shortfall by 2029. MISO reports 56 GW of nameplate generating capacity, predominantly solar and batteries, with signed generation interconnection agreements as of July 2024 that can help meet resource adequacy needs if connection is completed.

[9] Plausible extreme conditions considered by NERC in this assessment are similar to those experienced during Winter Storm Elliott, Winter Storm Uri, and the 2020 Western Wide Area Heat Dome.

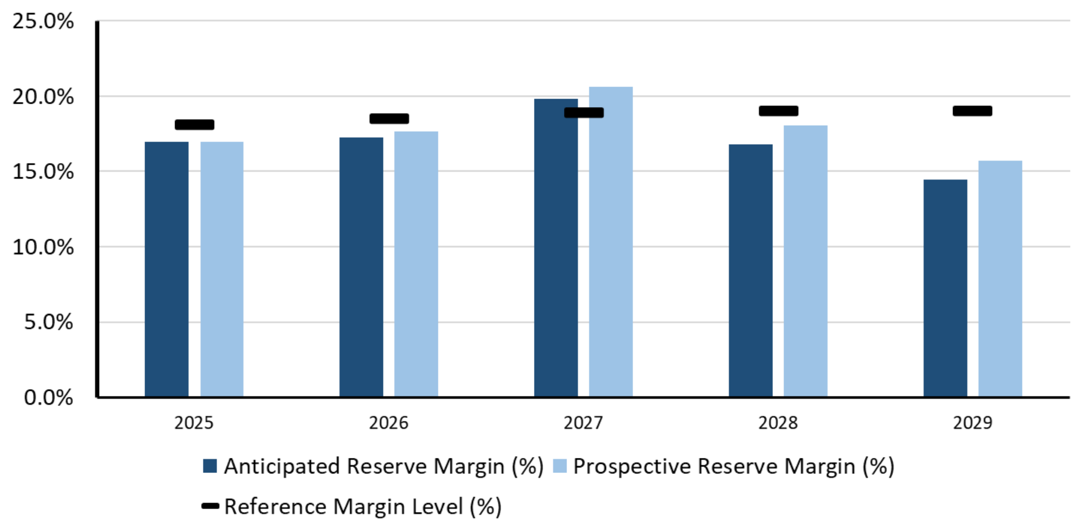


Figure 3: MISO Five-Year Planning Reserve Margin–Summer

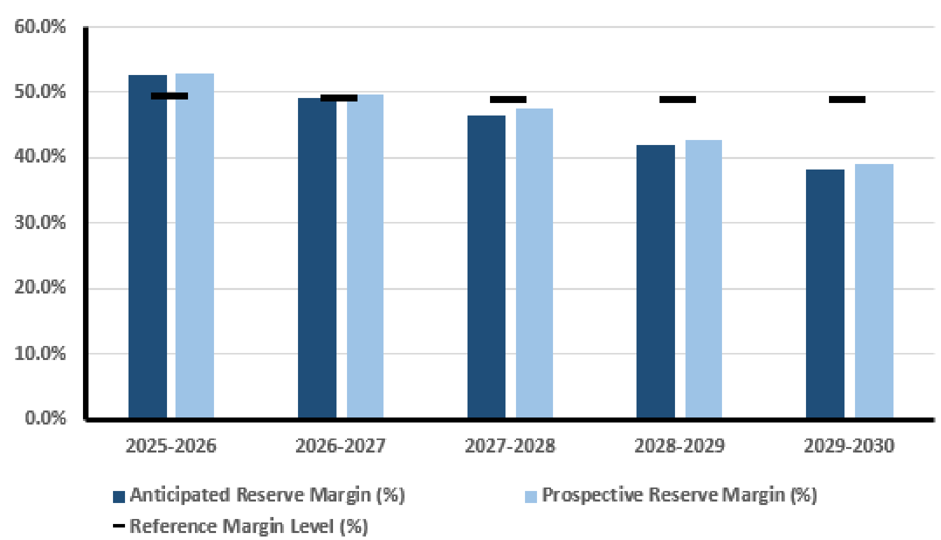


Figure 4: MISO Five-Year Planning Reserve Margin–Winter

MISO is at high risk of experiencing electricity supply shortfalls beginning in Summer 2025 based on PRMs derived from anticipated resources and demand forecasts. To establish the RMLs that define the minimum reserve margins for resource adequacy, MISO performs its annual probabilistic Loss-of-Load Expectation (LOLE) Study per MISO tariff. The study produces seasonal RMLs for the upcoming planning year that are used in MISO's planning resource auction. These RMLs are calculated such that they define the minimum PRM that will meet an LOLE of 1 day in 10 years. Because MISO is projected to have ARM below these RMLs, resource adequacy criteria are not met, indicating it is likely that supplies would be insufficient during normal summer and winter peak demand and outage conditions. All-hours probabilistic studies of the MISO system show that shortfall risks can also occur during spring and fall, months that are not peak demand seasons for MISO. See the **MISO** assessment area pages.

Elevated-Risk Area Details

The below areas are projected to meet resource adequacy criteria and have energy and capacity for normal forecasted conditions but are at risk of supply shortfall in extreme conditions. Areas are listed in order of appearance in the **Error! Reference source not found.** section.

MRO-Manitoba Hydro

The electricity demand forecast in the province of Manitoba has increased since the *2023 LTRA*, driven by expected economic activity and adoption of electric vehicles. Resource projections have not changed significantly.

As in prior probabilistic assessments, Manitoba Hydro's 2024 ProbA indicates that there is some risk of load loss and unserved energy associated with very low hydro conditions (see **Table 2**). Electricity demand peaks in winter, making this the higher-risk season. However, electricity supplies could fall short during either peak summer or winter conditions should an extreme and prolonged drought affect hydro production.

Table 2: MRO-Manitoba Hydro ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	7.23	**4.71**	**68.87**
EUE (PPM)	0.29	**0.18**	**2.50**
LOLH (hours per year)	0.01	**0.06**	**0.91**
Operable On-Peak Margin	13.5%	**18.8%**	**15.6%**

** Year 2026 Results from the 2022 ProbA provided for trending*

MRO-SaskPower

Resource projections for Saskatchewan over the 10-year period have increased since the *2023 LTRA*, rising to just over 1 GW and include two new 377 MW gas-fired generation facilities, expansion of existing gas-fired generation facilities, and new geothermal resources. The peak demand forecast growth rate (1.35% annually) has changed little since the *2023 LTRA*.

The ProbA for SaskPower indicates there is some risk of load loss and unserved energy that diminishes with the new resource additions that are planned for 2027 (**Table 3**). Saskatchewan is a winter-peaking system; however, the unserved energy risks are more closely associated with the planned outages of large generators that typically occur in the fall and spring shoulder periods. The months of September and October are the highest risk periods because of the potential for high temperatures to unexpectedly extend beyond summer and into the maintenance period.

Table 3: MRO-SaskPower ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	117.0	**75.64**	**8.55**
EUE (PPM)	4.4	**2.81**	**0.30**
LOLH (hours per year)	0.9	**0.54**	**0.08**
Operable On-Peak Margin	24.6%	**24.8%**	**30.8%**

** Year 2026 Results from the 2022 ProbA provided for trending*

MRO-SPP

New resource capacity in the interconnection queue—primarily solar, battery, and wind—is currently projected to keep up with rising peak demand forecasts. DR programs are also increasing over the next 10 years. Resource adequacy issues can arise, however, if generators retire earlier than anticipated or new resource additions connect more slowly. Currently, there are over 8 GW of coal and gas-fired generators that have indicated that they may retire within the next 10 years, making the resource outlook unclear. SPP's summer reserve margins, based on installed generator capacity, remain above RMLs through 2029 (see **Figure 5**).

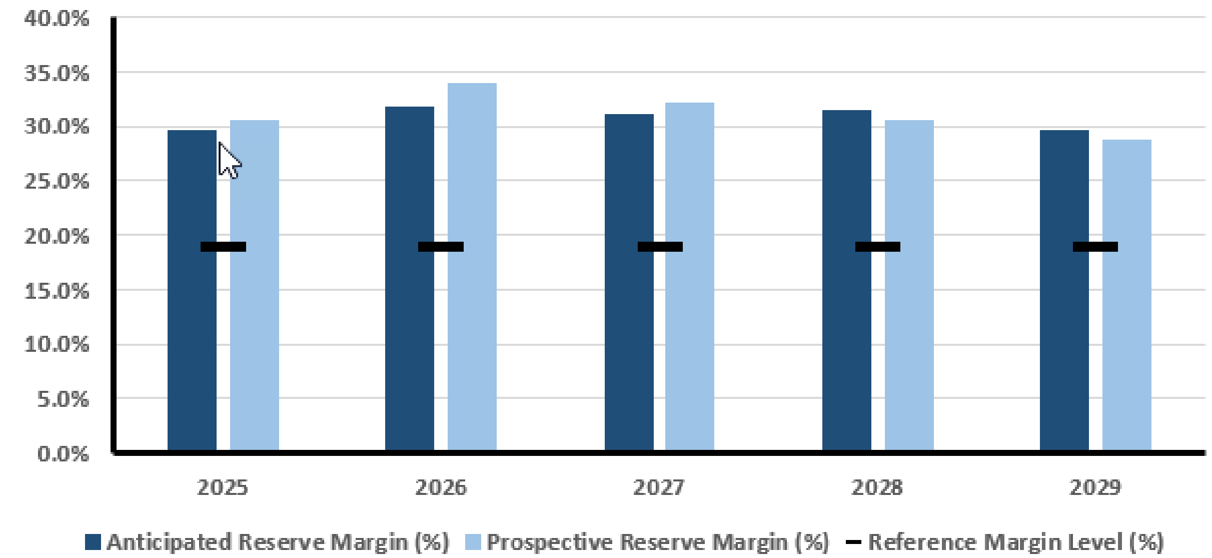


Figure 5: MRO-SPP Five-Year Planning Reserve Margin–Summer

All-hours probabilistic analysis performed by SPP shows that resource adequacy challenges are shifting from summer (when area demand is at its highest) to winter months (when the new resource mix is less capable of performing reliably). Annual results of the ProbA are in **Table 4** below. SPP's 2023 loss-of-load expectation (LOLE) study results indicate that a separate RML and seasonal resource capacity contributions are needed for the summer and winter seasons to effectively provide for resource adequacy.

Table 4: MRO-SPP ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	0.84	**0.00**	**6.61**
EUE (PPM)	0.00	**0.00**	**0.02**
LOLH (hours per year)	0.00	**0.00**	**0.01**
Operable On-Peak Margin	19.6%	**19.5%**	**16.0%**

** Year 2026 Results from the 2022 ProbA provided for trending*

NPCC-New England

New England is forecasting unprecedented demand growth driven by electrification of heating and transportation. Wind, solar, and batteries make up the projected resource additions, along with growth in distributed energy resources. Since the *2023 LTRA*, the peak demand forecast is relatively unchanged. New England has among the strongest winter demand forecast growth rates of any assessment area, rising over 7 GW in the 10-year period, or 35% from its current peak demand forecast.

The 2024 ProbA for NPCC-New England reveals increasing risk of load loss and unserved energy compared to the 2022 ProbA (see Table 5). Higher-demand forecast and replacement of dispatchable resources with more VERs contribute to this trend. In the ProbA modeling, supply shortfall risk is limited to the summer months and is associated with periods of above-normal demand and low resource output (e.g., low wind, solar, or high thermal outages).

Table 5: NPCC-New England ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	0.55	**10.69**	**67.40**
EUE (PPM)	0.00	**0.09**	**0.06**
LOLH (hours per year)	0.00	**0.07**	**0.03**
Operable On-Peak Margin	27.8%	**12.4%**	**13.7%**

** Year 2026 Results from the 2022 ProbA provided for trending*

While NPCC's ProbA results indicate that the risk of unserved energy in New England is concentrated in summer months, a persistent concern is whether there will be sufficient fuel available to satisfy electrical energy and operating reserve demands during an extended cold spell or a series of cold spells given the existing resource mix and regional fuel delivery infrastructure. Potential natural gas transportation constraints can affect supply to generators during extreme cold temperatures, when natural gas demand for space heating is also peaking. Most natural-gas-fired generators in the area do not have firm natural gas transportation service and can be subject to supply curtailment during peak conditions. Many natural-gas-fired generators in New England can also operate with stored oil, providing for assured electricity supply in extreme winter conditions while oil stores are procured and maintained. Scenarios of extended and extreme cold weather that affect the availability of natural gas and oil replenishments present a reliability risk but were not within the scope of the 2024 ProbA.

NPCC-Ontario

Near- and long-term resource adequacy challenges continue in the NPCC-Ontario assessment area as the Independent Electricity System Operator (IESO) manages lengthy refurbishment outages at nuclear generators and demand growth driven by agriculture and electrification. The beginning of projected shortfalls occurs in 2027 when some contracts for firm capacity are set to expire (see Figure 6). However, a number of resources with expiring contracts between 2026 and 2029 are anticipated to be re-committed for five-year terms through the IESO's second medium-term procurement, which is underway. As such, Ontario's Anticipated Reserve Margins (ARM) and Prospective Reserve Margins shown in Figure 6 (which do not include this set of expiring resources) are conservative. Recommitment of these resources is expected to raise margins above the reference level in 2029 and help maintain reliability through the end of the decade. In May 2024, the IESO finalized long-term commitments for new-build battery storage facilities (1,784 MW) and new-build natural gas and biogas facilities (411 MW). Early operation incentives anticipated to bring a portion of these resources online as early as 2027 could help alleviate the reserve margin gap. The IESO also launched procurements for new capacity and energy-producing resources to be online as early as 2029. In addition, the IESO finalized an agreement with Hydro-Québec for capacity sharing in November 2024, providing 600 MW of firm imports to Ontario starting in Summer 2025 through Summer 2031. This capacity is also expected to help alleviate shortfalls indicated in 2027.

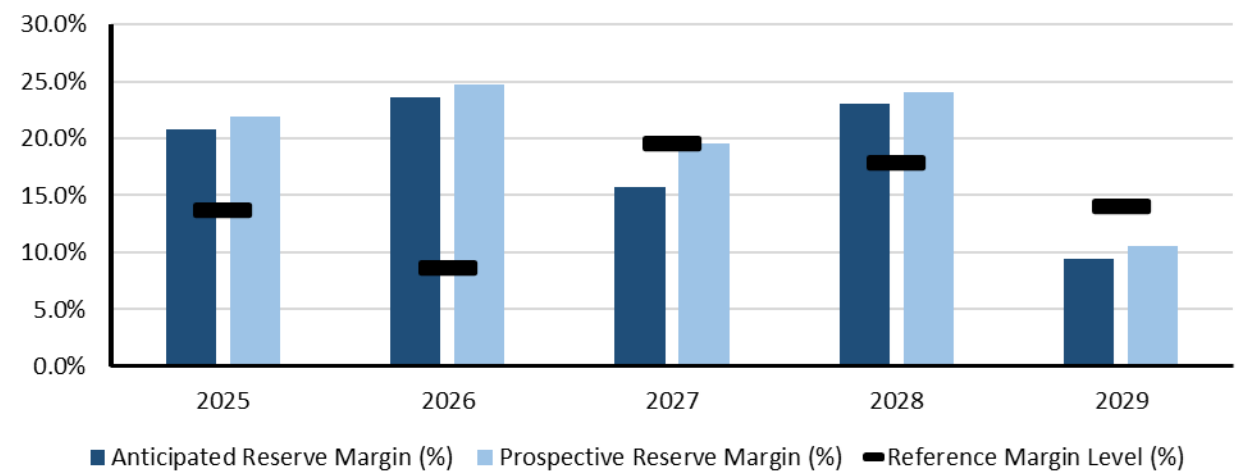


Figure 6: NPCC-Ontario Five-Year Planning Reserve Margin–Summer

The probabilistic assessment for Ontario performed by NPCC provides further insights into the potential for load loss and unserved energy. There is negligible risk of unserved energy and load loss in 2026 and earlier years; however, a small risk of load loss (< 0.01 hours) emerges after 2026 (**Table 6**). The 2024 ProbA study included only years 2026 and 2028, both of which have projected capacity surpluses above RMLs (see **Figure 6**). If 2027 and 2029 had been included in the ProbA, it can be expected that there would have been higher amounts of LOLH and unserved energy. ProbA results are also helped by the inclusion of electricity transfers from neighboring areas and modeling for some operating procedures used to manage supply shortfalls.

Table 6: NPCC-Ontario ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	72.16	**0.04**	**4.97**
EUE (PPM)	0.49	**0.00**	**0.03**
LOLH (hours per year)	0.44	**0.00**	**0.01**
Operable On-Peak Margin	-6.7%	**13.3%**	**9.5%**

** Year 2026 Results from the 2022 ProbA provided for trending*

PJM

PJM's projections for generator additions in 2025 and 2026 are scaled back dramatically from the *2023 LTRA* while demand forecasts continue to rise. As a result, ARMs for future years have fallen by as much as nine percentage points from last year. The trends in demand growth and resource additions create resource adequacy and system planning challenges for PJM as it carefully manages generator deactivation requests from the aging fossil and nuclear fleet.

PJM's ProbA results provide indication of the increasing resource adequacy risk to the system (see **Table 7**). EUE and LOLH are found in both ProbA assessment years (2026 and 2028) with risk concentrated in the winter months (especially January). The risk occurs on days where temperatures are very low across the entire PJM area, which results in high loads. While normal resource performance can meet these demand forecasts, resource performance from thermal resources on very cold days has historically been below normal due to freezing and fuel supply issues. Furthermore, solar resources are not likely to contribute during some of the coldest hours, resulting in very low total electricity supply and thus projections of load loss. ProbA analysis shows some summer load-loss and unserved energy risk but at much lower levels. Summer shortfall events are most likely to occur during wide-area heat events that coincide with low wind and low solar output, or very high outage and derates in the thermal generation.

Table 7: PJM ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	0.00	**537.52**	**1,043.44**
EUE (PPM)	0.00	**0.00**	**0.00**
LOLH (hours per year)	0.00	**0.12**	**0.22**
Operable On-Peak Margin	29%	**17.8%**	**17.7%**

** Year 2026 Results from the 2022 ProbA provided for trending*

SERC-East

The addition of solar resources is helping to raise summer on-peak reserve margins in the assessment area, despite rising demand forecasts and additional coal-fired generator retirements. Since the *2023 LTRA*, solar PV resources have grown from 1.5 GW to an expected 4.7 GW by the end of 2024. An additional 2 GW of solar PV resources are in the process of connecting. The summer peak demand forecast has also risen since the *2023 LTRA*, increasing by 2.8 GW (6.3%) over last year's projection. The area reserve margins have increased in the near term as a result of the solar resource additions then drop off after 2028 due to higher demand forecasts and planned generator retirements.

Despite these resource additions and higher summer reserve margins, the 2024 ProbA reveals growing resource adequacy risk in SERC-East (see **Table 8**). Measures of unserved energy and load-loss have increased since the 2022 ProbA as demand has risen and the resource mix has changed. SERC-East has changed from a summer-peaking area to one with peak electricity demand occurring in both the summer and winter seasons. This change is the result of added solar PV generation that shaves off summer peak demand and trends toward electrification in heating that drives up winter peak demand. The ProbA shows that the risk of unserved energy and load loss is concentrated in winter (January–February) months when wide-area extreme cold weather can affect electricity demand, generator performance, generator fuel supplies, and the availability of electricity imports. Based on current forecasts, resource adequacy risk will increase in SERC-East after 2028 due to the planned retirement of over 1,800 MW in coal-fired generation and continued load growth.

Table 8: SERC-East ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	92.49	**143.35**	**207.26**
EUE (PPM)	0.40	**0.60**	**0.81**
LOLH (hours per year)	0.08	**0.09**	**0.17**
Operable On-Peak Margin	16.1%	**14.2%**	**11.1%**

** Year 2026 Results from the 2022 ProbA provided for trending*

Texas RE-ERCOT

ERCOT is forecasting explosive demand growth, driven by data center projects, Bitcoin operations, development in oil- and natural-gas-producing areas, and industrial facilities. Over 20 GW of newly contracted large loads, in addition to other organic load growth, is projected to be added to ERCOT by 2028. Substantial amounts of solar PV and battery resources are being added to help meet rising demand, but there are significant reliability challenges to address during this period of rapid growth. Resource adequacy risks are mounting as fewer dispatchable resources comprise the resource mix. One of the strategies to address this risk is state implementation of a dispatchable resource generation loan program called the Texas Energy Fund. Furthermore, the forecasted growth in loads and resources poses significant challenges for transmission system planners.

Load growth and the characteristics of the resource mix are contributing to higher levels of unserved energy and load loss in probabilistic analysis (see **Table 9**). In the 2024 ProbA, EUE for the analyzed 2026 ERCOT system has risen to 19 ppm (0.0019 %) of the total annual supplied energy compared to the same analysis in the 2022 ProbA. The 2024 ProbA shows an improving trend in the analyzed 2028 ERCOT system, enabled by additional generation capacity from ERCOT scenarios developed to support rapid growth in large loads.[10]

A deeper analysis of the probabilistic assessment results reveals the unique characteristics of winter and summer risk. While peak winter loads can persist for 48 hours or longer, peak summer periods generally only last for a few hours. This is manifested in the duration and depth of the winter firm load-shed events that appear in the ProbA and has significant implications for the reliability contribution of energy-limited and non-dispatchable resources. The most extreme winter event modeled for 2026 was 16 hours in duration and up to 29 GW in load loss. In contrast, most summer unserved energy events were 1–2 hours in duration.

Table 9: Texas RE-ERCOT ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	1,235	**11,090**	**781**
EUE (PPM)	2.63	**18.95**	**1.12**
LOLH (hours per year)	0.30	**1.57**	**0.16**
Operable On-Peak Margin	35.9%	**28.8%**	**46.9%**

** Year 2026 Results from the 2022 ProbA provided for trending*

A key conclusion from the Texas RE-ERCOT 2024 ProbA is that matching the area's demand growth with a resource mix that is more variable and less fully dispatchable is increasing the risk of supply shortfalls that can result in load loss and unserved energy. When the seasonal characteristics of demand and resources are considered, Resource Planners can appropriately focus efforts to reduce the risk of potentially severe, long-duration winter shortfall events. The Public Utility Commission of Texas established a Reliability Standard and accompanying reliability assessment process in August 2024. The reliability standard is based on multiple probabilistic reliability measures that capture the different dimensions of loss-of-load events: average event frequency (LOLE), maximum event duration, and maximum event magnitude.

WECC-CA/MX

Resource additions continue to improve the overall resource adequacy outlook for the WECC California-Mexico assessment area. Since the 2022 ProbA, the planned extension of the Diablo Canyon nuclear plant (2.2 GW) and resource additions (over 5 GW nameplate in batteries, 3.3 GW nameplate in solar PV, and 0.2 GW in natural-gas-fired and geothermal generation) have alleviated supply shortfalls that were driving unserved energy and load-loss metrics in year 2026, as shown in the results of the 2024 ProbA performed by WECC (see **Table 10**).

Table 10: WECC-CA/MX ProbA Case Summary of Results

	2026*	2026	2028
EUE (MWh)	37,305	0	19,662
EUE (PPM)	136	0	70.07
LOLH (hours per year)	0.72	0	0.38
Operable On-Peak Margin	30.7%	43.2%	41.2%

** Year 2026 Results from the 2022 ProbA provided for trending*

Demand growth and planned generator retirements cause energy adequacy risks to re-emerge in future years. With a resource portfolio that includes a substantial amount of solar PV, the risk of supply shortfall is associated with summer evening periods when demand is high and solar output is diminished. WECC's analysis for the 2024 ProbA found only a small occurrence (<1 hour) of resources falling below margin levels for reliability in the 2028 study year. WECC further observed that load-loss and unserved energy risk was localized in the Mexico portion of the assessment area, reflecting localized resource and transmission system constraints.

[10] Due to the inclusion of an additional 20 GW of large loads based on newly signed interconnection agreements, study-year 2028 included additional generation capacity from the "High Large Load Adoption" scenario of the ERCOT 2024 Long-Term System Assessment (LTSA), which included 22 GW of combustions turbines (CT) and 4 GW of combined cycles (CC).

The CA/MX 2028 system analyzed by WECC for the 2024 ProbA reflects the continued rapid transformation of the power grid. The analysis assumes forecasted demand growth of 3.5 GW, substantial resource additions (4.6 GW of solar PV, 7.6 GW in batteries, and 0.8 GW of natural-gas-fired generation imported from repowered coal units in Utah), and the retirement of over 3 GW of gas-fired generation. As demand grows and the resource mix becomes increasingly variable, periods of supply shortfalls can emerge. Battery additions and transfers help make up for energy shortfalls that can arise during evening solar down ramps.

WECC-BC

BC has a predominantly hydroelectric generation system with vast amounts of energy storage provided by its reservoirs. Winter peak demand in the province is forecast to grow modestly over the next 10 years, from 11,966 MW this winter to 12,305 MW at the end of the 10-year period. Since the *2023 LTRA*, the winter peak demand compound annual growth rate (CAGR) has fallen from 1.0% to 0.3%. Growth rate and reserve margins are higher. While the overall resource adequacy outlook has improved, the 2024 ProbA indicates the area continues to be at an elevated risk of supply shortfall during extreme conditions. Drought and extreme cold temperatures in winter can result in periods of insufficient operating reserves when neighboring areas are unable to provide excess energy.

Western Interconnection-wide probabilistic analysis performed by WECC for the 2024 ProbA reveals that risk of reserve shortages emerges after 2026, potentially resulting in unserved energy and load-loss events during extreme weather. WECC's analysis identified over five hours in 2028 when high demand and low supply from WECC-BC's internal resources were not able to be remedied with imports from neighboring areas experiencing similar conditions (see **Table 11**). In contrast, 2026 had no unserved energy or load-loss periods. An examination of hourly results showed that imports from neighbors were more available in 2026 to cover periods of potential shortfalls in BC Hydro's internal resources.

Table 11: WECC-BC ProbA Summary of Results

	2026*	2026	2028
EUE (MWh)	24	**0**	**103,132**
EUE (PPM)	0.71	**0**	**1,456**
LOLH (hours per year)	0.00	**0**	**5.52**
Operable On-Peak Margin	12.7%	**16.9%**	**9.4%**

** Year 2026 Results from the 2022 ProbA provided for trending*

WECC's interconnection-wide analysis simulates the probabilistic performance of resource types using historic hourly output data to identify future risk periods. Operators of systems with large hydroelectric storage facilities make adjustments to generation based on the level of demand and shape the water use within the day, week, month, or between years. These actions help posture hydroelectric generation for expected conditions and can reduce energy shortfall risks.

BC's supply margins relative to demand are lowest during winter peak demand periods. Imports from neighbors in the U.S. Northwest are common during these periods, and often during the overnight hours of 23:00 to 4:00 local. WECC's analysis shows the need for imports growing year to year throughout most of the LTRA forecast horizon. A widespread, extreme cold weather event in the Northwest that limits transfer capability is thus a risk to BC. Even though WECC-BC is expecting only moderate demand growth and relatively few retirements, diminished surplus capacity in neighboring areas is negatively affecting the resource adequacy outlook.

Normal-Risk Area Details

All other assessment areas (see **Figure 1**) are assessed as normal risk. In these areas, resource adequacy criteria are met, and there is a low likelihood of electricity supply shortfall even when demand is above forecasts or resource performance is abnormally low (e.g., above-normal forced outages or low VER performance).

Resource and Demand Projections

The Capacity and Energy Assessment section in this LTRA is a forward-looking snapshot of resource adequacy that is tied to industry forecasts of electricity supplies, demand, and transmission development. Later sections in this report describe important trends in each of these forecast areas. The future electricity supply will come from a resource mix that is more variable, weather-dependent, and reliant on natural gas for fuel, requiring broad coordination and careful attention to manage reliability risks. Future electricity demand is being shaped by many factors that collectively influence peak demand forecast levels, peak seasons, and hourly profiles. Peak demand and energy forecasts are projected to continue rising dramatically over the *2024 LTRA* assessment period, exceeding their highest rates in recent years. Ongoing challenges with resource and transmission development and the continued pace of generator retirements raise concerns that, in the future, the risk assessment map will expand with more elevated and high-risk areas.

Risk from Additional Generator Retirements

Accelerated retirements of the existing coal, natural gas, and nuclear generators can have a profound and negative effect on the resource adequacy and reliability of the BPS in the next 10 years. In this preceding Capacity and Energy Assessment NERC accounted for nearly 79 GW of fossil-fired and nuclear generator retirements that are anticipated through 2034. Environmental regulations and energy policies have the potential to influence generators to seek deactivation during the 10-year assessment period.[11] An additional 43 GW of fossil-fired generators have announced plans to retire over the decade but have yet to enter deactivation processing with the planning authorities. These retirements, along with the confirmed retirements, contribute to declining reserve margins in the assessment areas over the next 10 years (see Table 12). As a result of demand growth and generator retirements, ARM is projected to fall below RML in 18 of the 20 assessment areas by 2034. While forecasts such as this factor into resource planning and market mechanisms to obtain resources needed for resource adequacy, it underscores the significant resource growth needed across North America. The lack of dispatchable resources and diverse generator fuel types in the interconnection processes makes the future resource mix look alarmingly unreliable. The potential for capacity and energy shortfalls and a higher-risk resource mix is heightened by economic and policy factors that place pressure on existing thermal generators.

The yearly projections of future retirements and an assessment area view are provided in the Risk from Additional Generator Retirements section.

[11] The Environmental Protection Agency (EPA) issued a final rule on May 9, 2024, establishing Greenhouse Gas Standards and Guidelines for Power Plants (the “GHG Rule”). This rule was released concurrently with three other EPA regulations that impact fossil-fueled power generation: Coal Combustion Residuals, Effluent Limitations Guidelines, and Mercury and Air Toxics Standards. Collectively, these four new regulations impose considerable financial and operational challenges on coal-fired generators.

Table 12: Anticipated Reserve Margins with Announced Retirements											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
MISO	17.7%	10.3%	10.3%	13.2%	8.6%	7.1%	10.6%	8.2%	7.5%	4.2%	-2.5%
MRO-Manitoba	12.5%	21.3%	18.4%	18.0%	15.0%	9.8%	0.5%	-0.6%	-1.7%	-2.9%	-4.2%
MRO-SaskPower	28.9%	27.8%	26.6%	31.1%	29.4%	7.0%	28.8%	28.0%	26.7%	26.8%	1.2%
MRO-SPP	28.3%	26.7%	26.0%	25.0%	20.8%	19.1%	26.7%	24.9%	23.5%	22.4%	8.1%
NPCC-Maritimes	18.9%	20.6+%	25.5%	25.1%	18.6%	3.9%	23.4%	20.7%	19.1%	17.7%	-1.5%
NPCC-New England	20.4%	25.0%	25.0%	26.3%	24.9%	23.5%	22.0%	20.1%	19.7%	17.1%	14.6%
NPCC-New York	18.4%	17.1%	21.4%	22.5%	22.4%	21.6%	20.7%	18.3%	16.7%	14.9%	13.6%
NPCC-Ontario	22.5%	20.8%	23.6%	15.7%	23.0%	9.5%	5.1%	-0.2%	-1.4%	-3.9%	-5.5%
NPCC-Quebec	12.5%	12.2%	13.1%	14.2%	12.6%	11.3%	9.8%	6.2%	3.5%	0.5%	-2.2%
PJM	29.8%	34.9%	35.7%	28.1%	21.4%	18.2%	23.1%	21.6%	20.1%	18.5%	10.3%
SERC-C	28.2%	18.9%	18.9%	15.0%	16.0%	15.2%	17.3%	17.1%	18.4%	21.1%	11.8%
SERC-E	30.4%	27.3%	25.8%	24.6%	20.6%	14.4%	14.3%	10.2%	6.3%	4.6%	-2.2%
SERC-FP	27.0%	25.4%	26.0%	23.2%	22.1%	20.9%	18.4%	22.0%	20.4%	18.2%	16.0%
SERC-SE	44.9%	39.9%	35.9%	31.5%	24.5%	21.4%	27.7%	25.8%	24.7%	23.7%	13.0%
TRE-ERCOT	24.3%	30.2%	32.5%	29.7%	25.6%	25.4%	27.8%	28.0%	28.4%	28.9%	24.9%
WECC-AB	36.3%	35.8%	35.7%	38.5%	41.7%	41.9%	35.4%	41.2%	33.6%	27.8%	27.0%
WECC-BC	20.9%	25.2%	25.2%	15.8%	15.9%	22.3%	22.1%	21.6%	21.2%	13.4%	19.9%
WECC-CA/MX	38.6%	45.5%	45.2%	38.4%	43.1%	28.8%	29.6%	23.3%	25.0%	15.2%	11.1%
WECC-NW	34.5%	40.3%	38.9%	35.6%	30.7%	24.5%	18.3%	12.2%	10.2%	8.1%	5.9%
WECC-SW	28.6%	37.0%	35.6%	31.6%	24.2%	17.4%	11.3%	7.7%	0.2%	-4.7%	-9.6%

Reducing Resource Capacity and Energy Risk

The risk of electricity supply shortfalls in the assessment period can be lowered through the concerted efforts of resource and system planning stakeholders. The actions taken in electricity markets and regulatory jurisdictions with the improving trends noted previously provide examples of what can work: obtaining additional firm resources to meet resource adequacy targets, delaying generation retirements when reliability needs dictate, and using capacity targets and energy risk metrics based on better resource and demand models. Specific and actionable recommendations are contained in the Executive Summary.

Resource Mix Changes

Capacity Versus Energy: Changes in the Way to Plan for Resource Adequacy

Industry's methods of planning for resource adequacy need to change. The modern power system requires the enhancement of assumptions and supplementation of risk information for a better characterization of the risk. Historically, the resource adequacy criterion has been based on the LOLE metric, which should be no more than 1 event-day in 10 years when the generating resources are less than load (commonly known as "1-day-in-10"). This has been a design basis for the U.S. electric grid for at least 70 years (with its first formal mention in a 1951 American Institute of Electrical Engineers paper by C. W. Watchorn) and has historically served the industry well. Two important related but separate discussion topics include considerations for assumptions in the calculation of LOLE and other metrics and the establishment of the resource adequacy criteria (i.e., traditionally in terms of LOLE-1-day-in-10). The 1-day-in-10 LOLE criterion is commonly converted into a minimum capacity requirement resulting in a target or RML. In doing this, planners determine the minimum PRM required to maintain a 1-day-in-10 LOLE level. Historically, systems with an actual PRM above the minimum generally have sufficient resources and provide adequate energy and ERSs that operators need to reliably operate the BPS. Issues can arise in resource adequacy planning processes when planners solely rely on the RML comparison as the system transforms from an era of certain to more uncertain fuel sources and load behavior. In recent years, NERC has documented warnings of potential energy shortages in its reliability assessments, while in many cases the RML comparison indicates no shortfall. Substantial uncertainty has been introduced into planning the system with the addition of energy-constrained resources (variable energy resources such as wind and solar, and, at times, just-in-time fuels such as natural gas) that are highly dependent on weather and environmental conditions. Uncertainty in energy sufficiency is increasing as the types of resources change, leaving fewer resources that can be dispatched (dispatchable resources) in response to the variable resource availability and greater exposure to constraints in fuel supplies, reservoir levels, or battery discharge capabilities. Historical generator reliability assumptions based on the idea of well-maintained, well-invested units with an anticipated long life are no longer adequate. This increases uncertainty as a greater proportion of fossil-fueled resources continue to be retired, often with little notice to system planners. Nameplate values of variable energy resources are not as meaningful as projected energy availability, and environmental conditions can adversely impact the simultaneous availability of thousands of megawatts.

Probabilistic analysis enhances deterministic transmission planning from an energy adequacy standpoint given the following factors:

- Considers likelihood of events: It uses historical data to estimate how often different outages and weather conditions might occur.
- Provides more information: It calculates the average impact of these events, including how often and how long power outages might last.
- Helps compare options: It enables the selection of the upgrade(s) that provide the best balance between cost and reliability over time to be chosen.

Detailed recommendations are included in a recently published NERC report:
Evolving Planning Criteria for a Sustainable Power Grid: A Workshop Report, June 2024

Changes in Existing BPS Resource Capacity

Thermal generator retirements and new resource additions continue at a rapid pace. Since the *2023 LTRA*, over 8 GW of coal-fired generation has been retired, while substantial solar and battery resources have connected to the grid (see **Table 13**). From a strictly on-peak capacity perspective, there has been little change (8,348 MW is 0.8% of the total BPS summer on-peak resource capacity.)

Table 13: Existing BPS Resource On-Peak Capacity

	2023 Capacity (MW)	2024 Capacity (MW)	Difference (MW)
Coal	188,856	180,402	-8,454
Petroleum	32,107	30,987	-1,120
Natural Gas	483,391	484,148	757
Biomass	7,273	7,381	108
Solar[12]	52,998	66,293	13,295
Wind[13]	32,320	31,370	-950
Geothermal	4,319	3,881	-438
Conventional Hydro	103,368	105,792	2,424
Run of River Hydro	1,565	2,047	482
Pumped Storage	19,463	19,422	-41
Nuclear	106,173	105,385	-788
Hybrid & Battery	5,593	9,909	4,316
Other	2,217	774	-1,443
Total	1,039,643	1,047,791	8,348

This year-on-year change in on-peak capacity continues the general trend of declining baseload and dispatchable generation—which includes coal-fired, natural gas, and nuclear generators—and rising VERs. **Figure 7** shows the trend continuing through 2034, where 20% of the generating capacity will be provided by VERs. Focusing on the relatively small change in total on-peak capacity since 2023 can mask risks to reliability that result when important attributes of the retiring generation resources are not inherent in the replacement resource mix. Thermal generation resources, such as coal-fired generators, have the capability to be dispatched when needed and provide system inertia, dynamic reactive support, and frequency response for stable grid operation. Most types of replacement resources have limited or none of these attributes. Further, retirements in the thermal generator fleet are making the resource mix less effective in meeting winter energy needs.

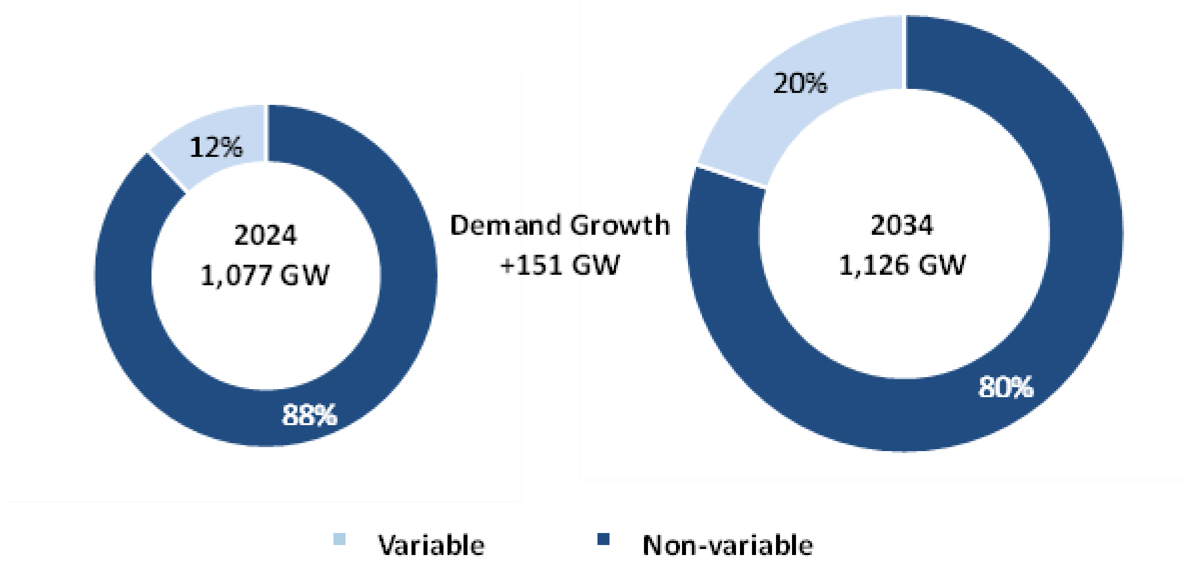


Figure 7: North America Total Generation Capacity in 2024 and 2034

Capacity Additions

New generation is added to the BPS through the area interconnection planning processes. Solar PV is the overwhelmingly predominant generation type being added to the BPS, followed by battery and natural-gas-fired generators, wind turbines, and hybrid resources. Batteries are now the second most predominant resource in the North America BPS interconnection queues. A summary of generation resources in the interconnection planning queues is shown in **Figure 8**.

Capacity in planning has grown since the *2023 LTRA* by over 44 GW (12%). In general, **Tier 1** resources are in the final stages for connection, while **Tier 2** resources are further from completion (see text box). Some projects that are in the earlier stages of the interconnection queue process will be withdrawn before completion due to supply chain issues, planning and siting challenges, and business or economic factors. While interconnection queues continue to swell, considerable uncertainty

[12] The capacity values in this table represent the on-peak contribution of solar resources. The total installed (nameplate) capacity of BPS solar in 2024 is 111,102 MW. See Table 11.

[13] The capacity values in this table represent the on-peak contribution of wind resources. The total installed (nameplate) capacity of BPS wind in 2024 is 176,636 MW. See Table 11.

surrounds the timing and amount of resource additions. (See an analysis of projected and actual additions on the next page).

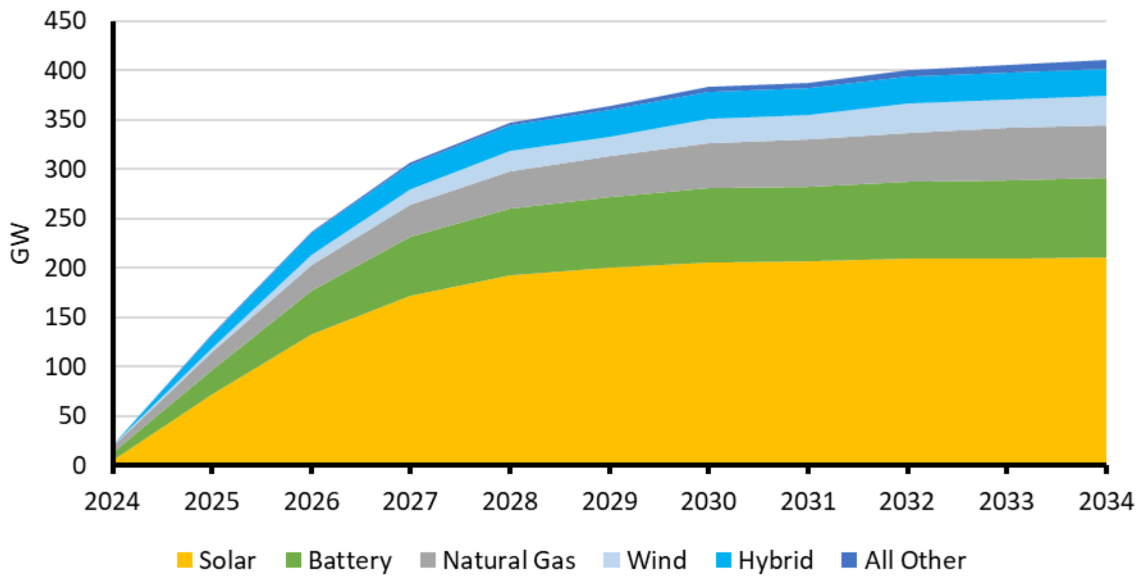


Figure 8: Tier 1 and 2 Planned Resources Projected Through 2034

Solar PV and wind nameplate capacity, both existing and planned, vary widely by area. Figure 9 and Figure 10 show current solar PV and wind installed capacities and the capacity in the planning process through 2034 for assessment areas with significant amounts. In addition, hybrid generation resources, which combine energy storage with a generating plant (i.e., a wind or solar farm), are connecting to the grid in parts of North America, and many more projects are in BPS planning processes.

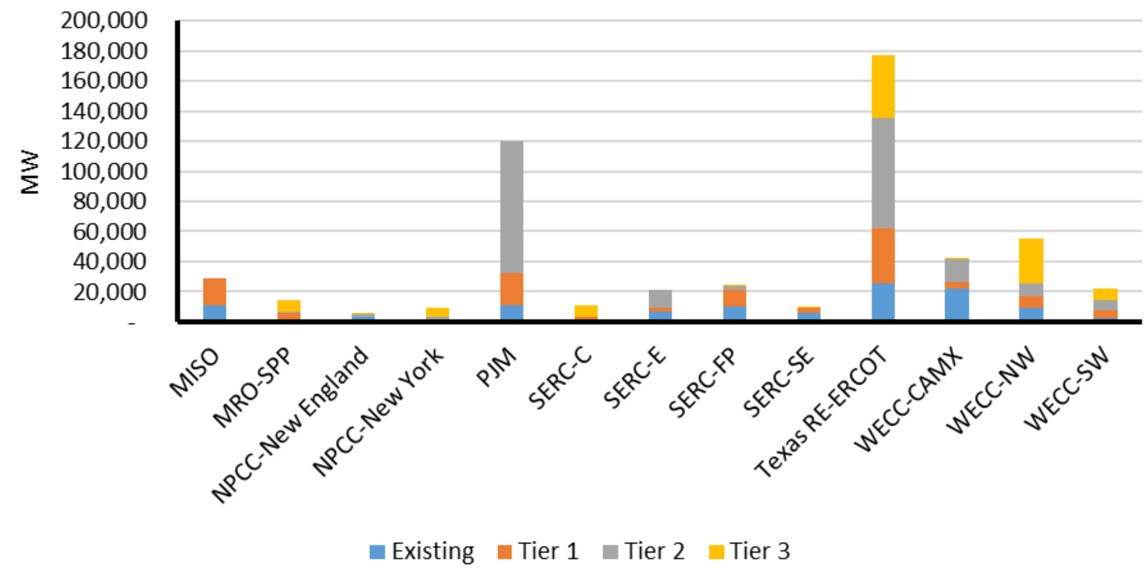


Figure 9: Solar Nameplate Capacity Existing and Planned through 2034

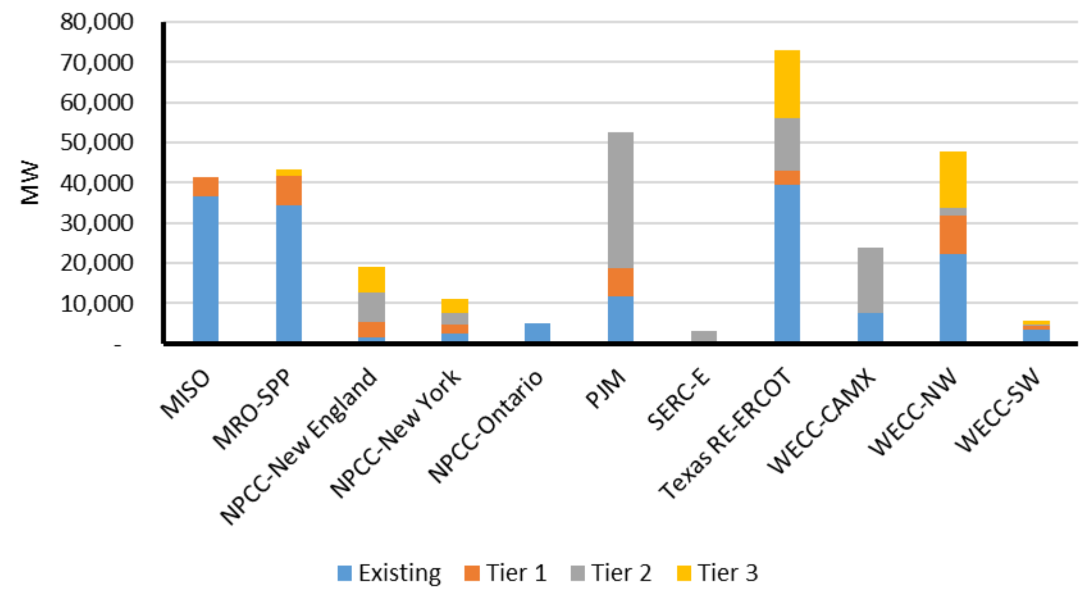
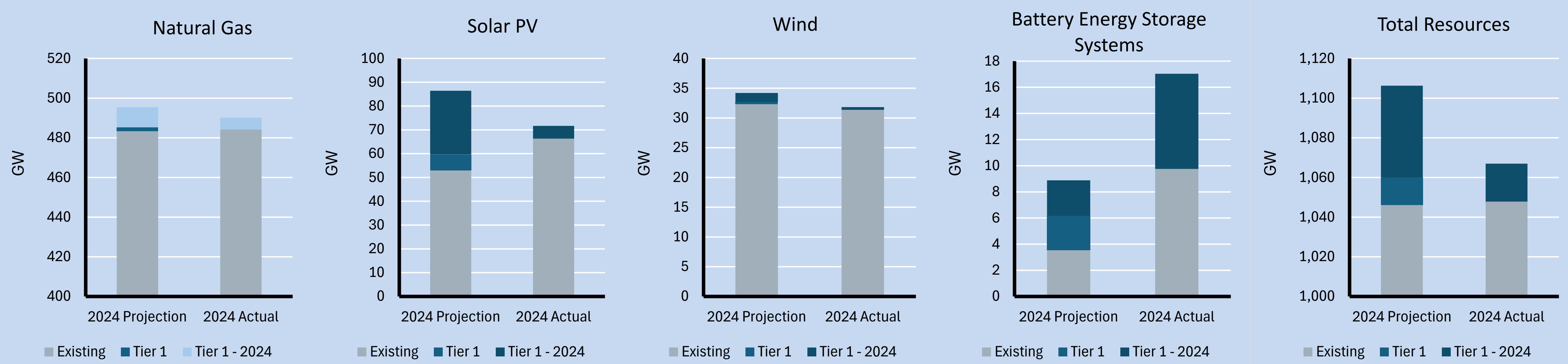


Figure 10: Wind Nameplate Capacity Existing and Planned through 2034

Resource Additions – How Much and When?

The added resource capacity on the BPS over the past year fell short of industry's projections, raising concerns that demand growth has the potential to outpace supply resources. The figures below compare the *2023 LTRA* projection of this year's installed capacity against the actual current installed capacity derived from data collected for this LTRA. Natural gas, solar PV, and wind resources were all over-projected last year. This gives evidence to industry reports of construction delays that prevented the expected interconnection of new resources. To a lesser extent, project withdrawals prior to commercial operation also contributed to lower-than-expected resource additions. One key exception—battery energy storage systems (BESS)—came in higher than last year's projections. As baseload and dispatchable generation continue to retire, delayed addition of new resources presents a challenge to near- and long-term planning.



Comparison of Projected Capacity from the 2023 LTRA to the Actual Capacity in the *2024 LTRA*

The sluggish rate at which new generation moves through the interconnection queue and begins service has been a cause for concern for long-term reliability planning. The Lawrence Berkeley National Laboratory published the results of an interconnection queue study in April 2024 assessing that less than one-fifth of generation capacity projects seeking interconnection between 2000 and 2018 actually came to fruition by the end of 2023.[14] Wait times have also been on the rise: According to the same study, the time from initiating a request for interconnection to the start of commercial operations has increased from less than two years, as was the case from 2000–2007, to more than four years from 2018–2023. The delay in bringing new generation capacity online in assessment areas that are anticipating steady or accelerated thermal capacity retirements, as well as increased demand, presents a significant reliability risk.

In recognition of the interconnection backlog risk, some regional transmission organizations have taken steps to address the lagging completion rates. MISO has assigned multiplication factors to generator requests based on the study phase and the likelihood of that resource coming on-line to more accurately gauge the likely incremental capacity in its footprint.[15] MISO also continues to advance the Joint Targeted Interconnection Queue (JTIQ) with SPP to resolve binding constraints that have delayed the interconnection process. PJM analyzed the completion rate of its interconnection queue and reported that less than 16% of resources submitted into the queue between 1999 and 2023 went into operation. The ISO has also applied a reduction to the nameplate capacity of value of Tier 1 resources to reflect the historical addition rate of new generation. PJM's interconnection process subcommittee is working on enhancements for new generation to interconnect as a capacity resource. These measures and others are examples of the broader effort to streamline generator additions and thus offset retiring capacity.

Offshore wind plants are increasingly entering interconnection queues, located around the Northeastern United States. Figure 11 shows the current planned capacity in the planning process through 2034 by assessment area. Currently, the existing offshore wind nameplate capacities are small in comparison: a single 29 MW plant in NPCC-New England and a 12 MW plant in PJM.

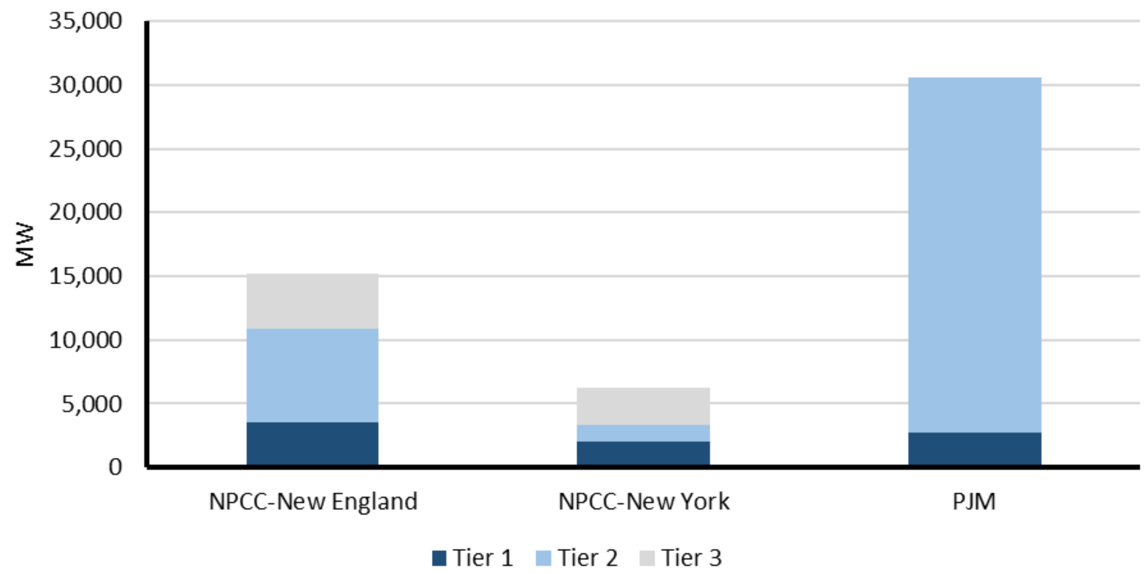


Figure 11: Offshore Wind Capacity Planned through 2034

Battery Resources

As the BPS increases the share of energy provided by VERs, the ability to provide energy by BESS or hybrid-solar PV and wind plants is increasingly important. While currently installed capacity totals just over 17 GW, an additional 306.5 GW of BESS are in planning. Figure 12 shows the nameplate capacity of BESS resources currently in operation and in planning for connection to the BPS through 2034.

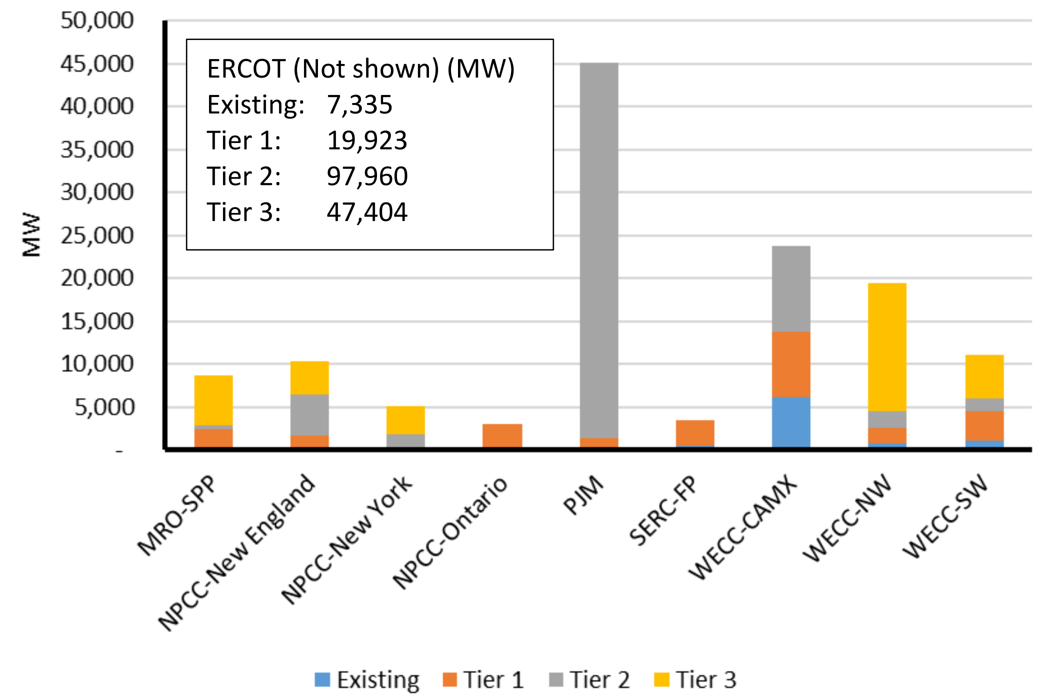


Figure 12: Battery Resource Capacity Existing and Planned through 2034

BESS are improving reliability by helping to offset the variability and uncertainty of inverter-based resources (IBR). BESS are, however, a relatively new type of grid resource with unique operating characteristics. The joint *NERC-WECC Staff Report: 2022 California Battery Energy Storage System Disturbances*[16] highlights an event when a BESS, like some other IBRs, failed to properly ride through a normal system fault. This indicates that BESS must be included in the currently underway strategies to address IBR performance issues.

Because the electrical output of variable energy resources (e.g., wind, solar PV) depends on weather conditions, on-peak capacity contributions are less than nameplate capacity. Table 14 shows the nameplate value and the capacity contribution of existing wind, solar PV, hydro, and energy storage systems resources at the peak demand hour for each assessment area. During risk periods after peak demand (e.g., U.S. assessment areas in WECC), contributions of solar PV resources output is diminished during evening periods and additional resources are needed.

[16] NERC–WECC *2022 California Battery Energy Storage System Disturbances*

Table 14: BPS Wind, Solar, Hydro, and Battery Generation Resources by Assessment Area Year 2024												
Assessment Area	Wind			Solar			Hydro			Energy Storage Systems		
	Nameplate (MW)	Expected On-Peak Demand Hour	Expected Share of Nameplate (%)	Nameplate (MW)	Expected On-Peak Demand Hour	Expected Share of Nameplate (%)	Nameplate (MW)	Expected On-Peak Demand Hour	Expected Share of Nameplate (%)	Nameplate (MW)	Expected On-Peak Demand Hour	Expected Share of Nameplate (%)
MISO	41,349	5,715	13.8%	30,502	5,305	17.4%	2,450	1,576	64.3%	401	84	21.0%
MRO-Manitoba Hydro		52	-	-	-	-	6,434	5,704	88.7%	-	-	-
MRO-SaskPower	815	164	20.1%	30	-	-	864	862	99.8%	-	-	-
MRO-SPP	34,475	5,134	14.9%	703	275	39.1%	5,633	4,079	72.4%	2	2	100%
NPCC-Maritimes	-	261	-	-	5.1	-	1,361	1,312	96.4%	-	-	-
NPCC-New England	2,548	127	5.0%	3,361	308	9.2%	1,917	1,469	76.6%	26	9	34.9%
NPCC-New York	2,706	461	17.1%	1,039	240	23.1%	4,915	3,736	76.0%	60	30	50.2%
NPCC-Ontario	4,943	1,364	28%	478	-	0.0%	8,748	6,215	71.0%	18	-	0.0%
NPCC-Québec	3,820	1,375	36.0%	10	-	0.0%	40,907	39,354	96.2%	-	-	-
PJM	11,701	1,760	15.0%	10,735	4,808	44.8%	3,071	2,367	77.1%	222	100	44.8%
SERC-C	982	172	17.5%	2,308	771	33.4%	4,995	3,364	67.4%	100	50	50.0%
SERC-E	-	-	-	6,777	4,753	70.1%	3,170	3,016	95.1%	15	6	38.4%
SERC-FP	-	-	-	10,121	5,618	55.5%	-	-	-	538	523	97.2%
SERC-SE	-	-	-	7,267	5,414	74.5%	3,293	3,260	99.0%	115	40	34.9%
Texas RE-ERCOT	39,532	11,062	28.0%	31,058	19,098	61.5%	583	458	78.6%	10,720	-	0.0%
WECC-AB	5,559	1,867	33.6%	3,042	-	0.0%	894	285	31.9%	270	264	97.8%
WECC-BC	776	279	36.0%	2	-	0.0%	16,902	12,623	74.7%	-	-	-
WECC-CA/MX	7,694	1,158	15.0%	24,905	14,641	58.8%	10,211	3,582	35.1%	11,883	11,155	93.9%
WECC-NW	23,518	3,489	14.8%	12,787	6,877	53.8%	41,257	21,168	51.3%	1,909	1,231	64.5%
WECC-SW	3,784	628	16.6%	5,944	2,527	42.5%	1,025	721	70.3%	2,997	2,592	86.5%

Solar PV Distributed Energy Resource Growth

Behind-the-meter (BTM) solar PV generators are solar PV resources connected on the distribution system, such as residential rooftop solar systems. The rapid growth of BTM solar PV continues with cumulative levels expected to reach over 123 GW by the end of this 10-year assessment period (up from 89 GW reported in the *2023 LTRA*, an increase of 38%). There are currently 58.7 GW of installed BTM solar PV across the North American BPS.

BTM solar PV generators, like grid-connected solar PV, are also VERs. In large penetrations, their predictable change in output from the time of day contributes to steep ramps in demand. As the sun sets and output diminishes, grid resources must make up for the decrease in solar generation and increase in demand that was being served. The opposite ramp occurs during morning hours; it may be less impactful to reliability but can be challenging for grid-connected generator scheduling and dispatch. **Figure 13** shows the current and projected BTM solar PV by area through 2034.

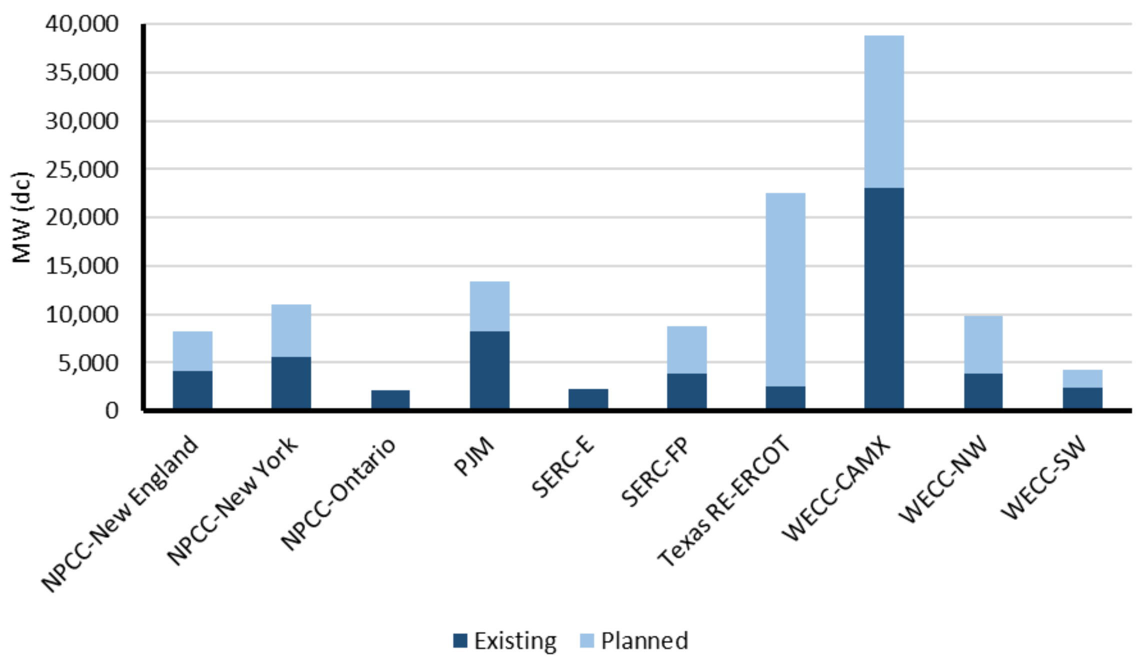


Figure 13: Solar PV DER Capacity Existing and Planned through 2034

Generation Retirements

The total capacity of traditional baseload generation fuel types will continue to decline as older generators retire. Generators become confirmed for retirement according to various processes in place in the Interconnections, such as regional planning tariffs in the wholesale electricity market areas or the integrated resource planning process in vertically integrated states. Properly designed mechanisms can prevent generators from retiring before planners can study and address reliability issues that could occur.

Currently, over 79 GW of fossil-fired and nuclear generating capacity is being retired over this assessment period (see **Figure 14**), a small decrease from the 83 GW in retirements reported in the *2023 LTRA*. This capacity includes generators that are confirmed for retirement through retirement planning processes or that have indicated plans to retire to an ISO/RTO or Planning Coordinator.

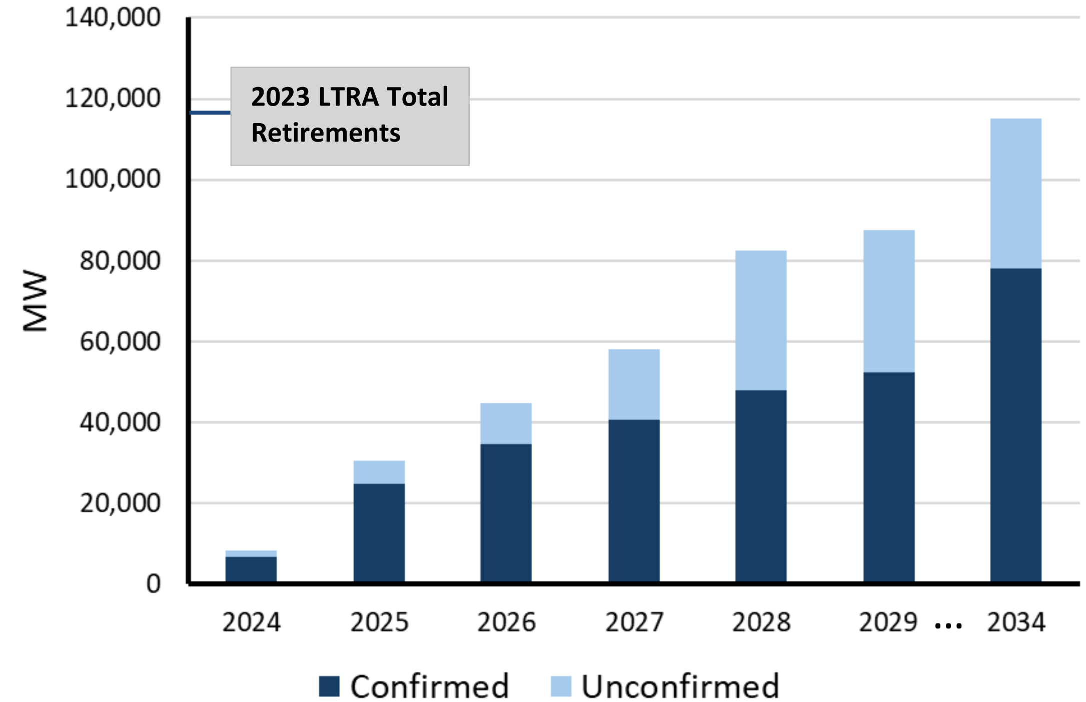


Figure 14: Projected Generation Retirement Capacity through 2034

Additional fossil-fired generator retirements are expected and would result in further loss of existing capacity. Generator Owners often announce plans to retire generator units before initiating the interconnection planning process, and the announced plans or timing may be subject to change before the retirement is confirmed. Wholesale electricity market areas, where merchant electric generators make up a large part of the generating fleet, have more uncertainty around future generator retirements, making resource planning and adequacy assessment difficult. Figure 15 shows the total capacity of reported retirements (i.e., reported to ISO/RTOs and planning entities) as well as owner-announced, unconfirmed retirements of fossil-fueled and nuclear generators across the BPS over the next 10 years in each assessment area.[17] This total of confirmed and announced-potential retirements over the next 10 years is over 115 GW (3 GW lower than 10-year projections in the *2023 LTRA*).

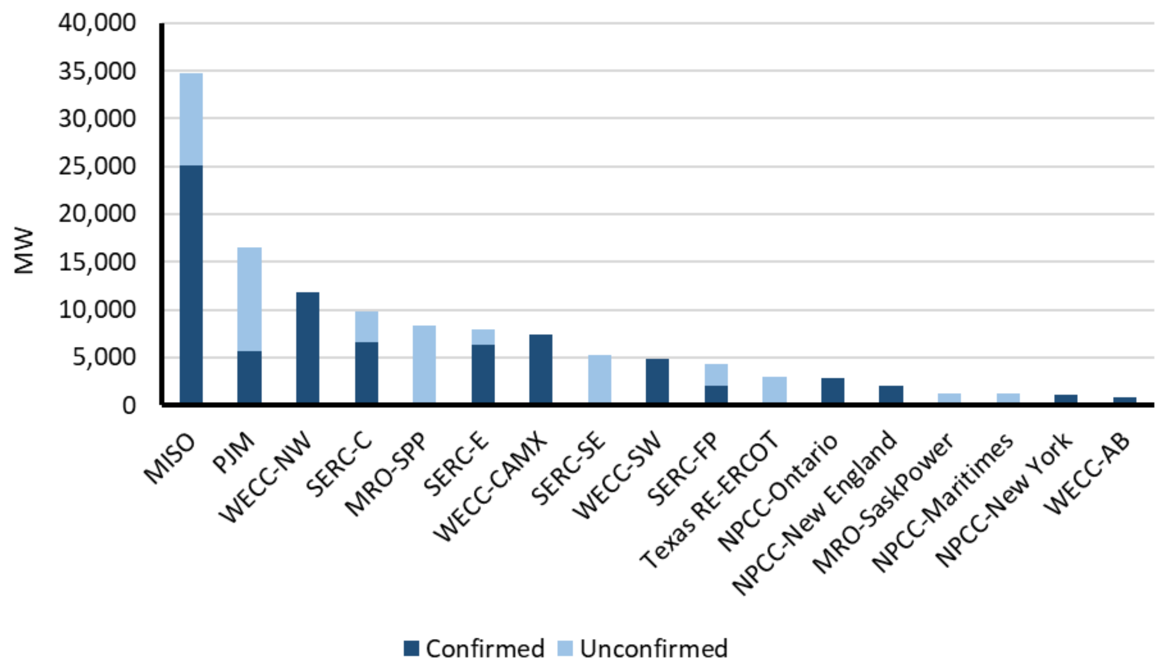


Figure 15: Projected Capacity Retirements of Nuclear and Fossil Generation 2024–2034

Natural Gas Fuel Reliance Trends

Natural-gas-fired generators are and will remain a critical resource for BPS reliability in many areas over the 10-year assessment period, especially during winter. These generators provide many necessary reliability attributes that are exiting the system as traditional generators retire and inverter-based renewable resources take their place in the resource mix. Natural-gas-fired generators are dispatchable and provide the ERSs of inertia, frequency response, and ramping flexibility. In winter, when peak demand in most areas occurs during early morning hours, natural-gas-fired generation is at its highest contribution to the resource mix in many areas. Severe winter weather events in 2021 and 2022 provided stark evidence of the critical nature of natural gas as a generator fuel and the importance of secure supplies during times of extreme electricity demand.

As the generation resource mix evolves and becomes more weather-dependent, fuel assurance becomes increasingly critical when conducting reliability assessments. Until recently, comparing seasonally available capacity to a predetermined PRM level has sufficed as a means to assess resource adequacy. However, resource adequacy is now only the first step of a meaningful reliability assessment. Energy adequacy must now be layered on top to assess the risk that available capacity may be rendered unavailable due to phenomena including low wind or solar output and/or natural gas supply and transportation issues.

This year, the Energy Information Administration (EIA) projected that more than 40% of delivered natural gas would be consumed by power generators, more than 0.6 Bcf/d higher than was consumed by power generators in 2023 and 7% higher than what the EIA had projected for 2024 in the fall of last year. Natural-gas-fired power plants generated 42% of the electrical energy consumed by end-use electricity customers in 2023 and are on track to maintain that share of generation this year. A significant percentage of natural-gas-fired power plants rely upon as-available, non-firm gas supply and transportation arrangements. Non-firm natural gas supply and transportation is generally sufficient for electric generators most of the year. However, during extreme cold weather, demand for natural gas by both generators and natural gas distribution companies (generally firm shippers) can at the same time dramatically increase. In these instances, generators that lack firm supply and transport arrangements are at risk of fuel unavailability, and when winter weather impacts gas production facilities, the resulting imbalance in pipeline injections and withdrawals can put at risk even firm pipeline customers as preparatory linepack is rapidly depleted.

[17] Confirmed generator retirements are reported to NERC by each assessment area in this *2024 LTRA* development process. NERC obtained data on announced, unconfirmed generator retirements from Energy Ventures Analysis, Inc. and from each assessment area. Some sources of information on announced generator retirements include EIA 860 data, trade press, and utility integrated resource plans.

The *2024 LTRA* projects that an additional 6,500 MW of new natural-gas-fired generation will be added in North America over the next five years. While some assessment areas project net decreases in natural-gas-fired capacity, other areas report increases ranging from 3% to over 50%.

In the United States, 8 out of 13 assessment areas are adding capacity to their fleet of natural-gas-fired power plants over the next 10 years, amounting to over 10 GW of new natural-gas-fired power capacity. Altogether, those additions translate to an increase in natural gas use for power generation of more than 84 Bcf (245 MMcf/d). Whether this increase in natural gas generation capacity is sufficient to meet the increase in net internal demand projected for these same assessment areas remains to be seen, but based on the capacity additions alone, some areas are set to see an insufficient increase in gas pipeline capacity, as per the EIA's database of nationwide U.S. gas pipeline projects. (see **Figure 16**).

PJM is one such area, projected to see a 3% increase in natural-gas-fired generation capacity (+2,500 MW). Net internal electricity demand in PJM is forecasted to rise by 25 GW over the planning horizon at the same time that non-variable resources are expected to shrink their share of the capacity mix from 96% to 88%. To the extent that variable resources are uncertain during times of peak stress on the grid, there is a risk of gas delivery capacity being insufficient for the amount of natural gas supply that could be required to meet the demand increase. SPP is another assessment area where natural-gas-fired power capacity is set to rise, by 5%, or roughly 1,500 MW. In both PJM and SPP, there is a risk of a shortfall in natural gas pipeline capacity that could facilitate delivery of the additional fuel that is necessary to meet their capacity expansion plans.

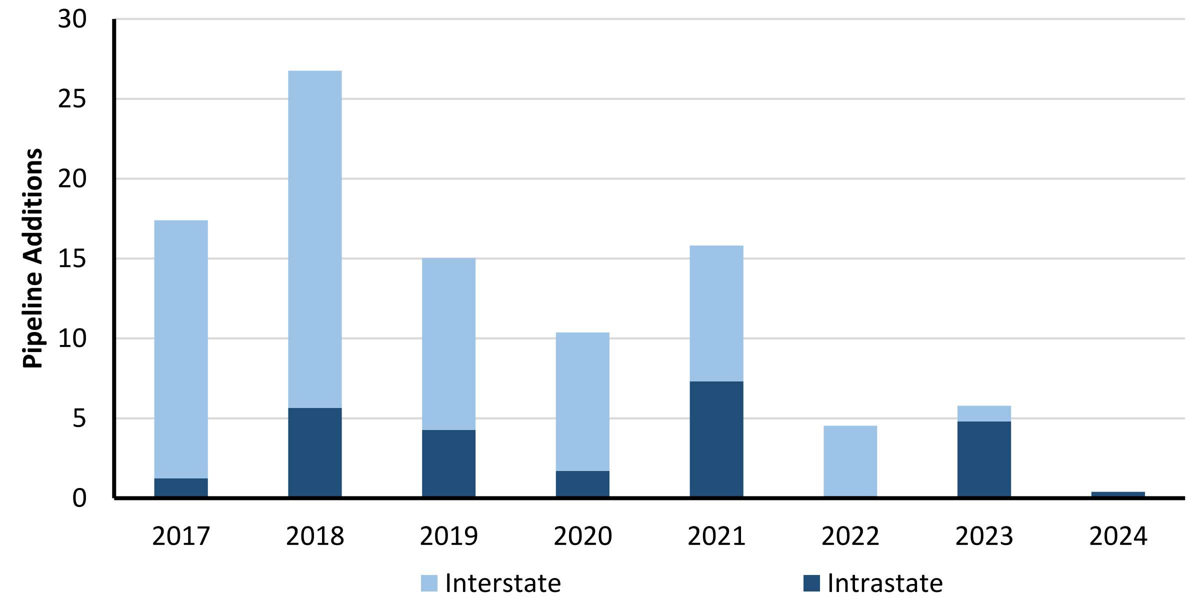


Figure 16: Annual U.S. Natural Gas Pipeline Capacity Additions by Type (2017–2024) Bcf/d (Source: U.S. Energy Information Administration)

Reliability Implications

The addition of variable resources, primarily wind and solar PV, and the retirement of conventional generation are fundamentally changing how the BPS is planned and operated. With electricity supplies coming increasingly from VERs and natural-gas-fired generators, there is a growing risk that supplies can fall short of demand during some periods. Geographically diverse wind and solar resources and loads can help reduce these risks, but they require robust transmission networks, comprehensive energy and transfer capability analysis, and effective operating procedures and market mechanisms.

Maintaining ERSs for Grid Support

For the grid to operate reliably, it needs resources that are not only sufficient for meeting demand and energy requirements but also capable of controlling voltages, maintaining stable frequency across the system, and flexibly ramping up or down to dispatch control at all times. Conventional generators, such as nuclear, coal, and natural gas-fired generators, provide much of the ERSs that support reliable operation today. New resources on the grid are almost all IBRs, which have different physical and operating characteristics that affect the level of ERSs that they can provide. Without the spinning mass or traditional excitation systems providing the voltage control of a hydroelectric or thermal generator, most IBRs have limited capability for maintaining system voltages and stability. Batteries, with their fast response time, have some ERS capability that wind and solar do not. They are useful in regulating system frequency and are helping to balance variability from VERs in ERCOT and California where wind and solar make up a large portion of the resource mix.[18] As generators are deactivated and replaced by new types of resources, ERSs must still be maintained for the grid to operate reliably.

Accelerated generator retirements, especially unanticipated requests for deactivation, can cause ERS-related reliability issues in parts of the system due to the future loss of the generator's reliability attributes. This reduction in the level of ERSs can result in voltage violations or system instability. System planning and generator deactivation processes evaluate these changes to the system and ensure plans proceed only when reliability criteria, including ERS-related considerations, are met. For example, PJM's deactivation process identified reliability concerns to the system as a result of the requested deactivation of the Brandon Shores power plant (1,280 MW) in 2023. Until necessary system upgrades are completed to address identified system voltage and other reliability issues that would occur with the deactivation, PJM has requested that the Brandon Shores generators at the plant remain in service through the reliability-must-run process.[19]

To ensure the future system can operate reliably, market operators, system planners, regulators, and policymakers need to ensure effective mechanisms are in place to provide for the ERS needs of the future system. Long-term activities can provide incentives to generators with needed reliability attributes. Effective backstops will also be needed to prevent the loss of critical generators when analysis finds deactivation would violate reliability criteria.

Specific and actionable recommendations are contained in the **Recommendations and ERO Actions Summary** section of this report.

[18] See the *2023 Special Report on Battery Storage* from the California ISO.
[19] Information on this and other proposed deactivations in PJM are found on PJM's Generator Deactivations page.

Demand Trends and Implications

Demand and Energy Projections

Electricity peak demand and energy growth forecasts over the 10-year assessment period continue to climb higher than at any point in the past two decades. The aggregated assessment area summer peak demand forecast is expected to rise by over 132 GW, and aggregated winter peak demand forecasts are increasing by 149 GW. The growth rates of forecasted peak demand (see **Figure 17**) and energy (see **Figure 18**) continue to rise sharply since the 2022 LTRA, reversing an almost two-decade trend of falling or flat growth rates. See **Figure 17** for seasonal peak demand growth over the current and prior assessment periods and **Figure 18** for net energy growth. A map of the primary demand drivers for the North American BPS is illustrated for each assessment area in **Figure 19**.

Electrification and Demand Growth

Electrification of household appliances (e.g., heat pumps for household heating) and projections for electric vehicle growth over this assessment period are components of the demand and energy estimates provided by each assessment area. Since the *2023 LTRA*, peak season CAGR has risen in all assessment areas except two: NPCC-Maritimes' winter CAGR fell from 0.98% to 0.63% and WECC-BC's winter CAGR fell from 1.05% to 0.28%. Rising peak demand forecasts are contributing to the lower reserve margins projected for nearly all assessment areas.

Large Commercial and Industrial Loads

Increasing amounts of large commercial and industrial loads are connecting rapidly to the BPS. Emerging large loads, such as data centers (including crypto and AI) and hydrogen fuel plants, present unique challenges to forecasting and planning for increased demand. Earlier this year, NERC's RSTC established a Large Loads Task Force to better understand the reliability implications of growth in large loads and develop solutions.

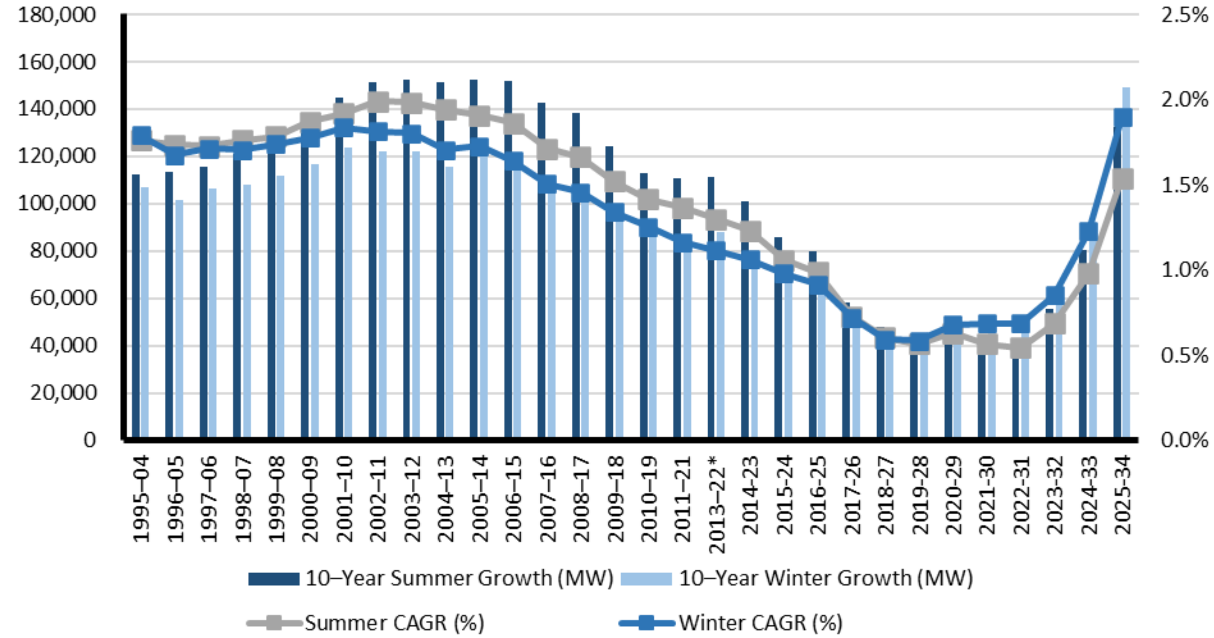


Figure 17: 10-Year Summer and Winter Peak Demand Growth and Rate Trends

Figure 18: Net Energy for Load Growth and Rate Projections

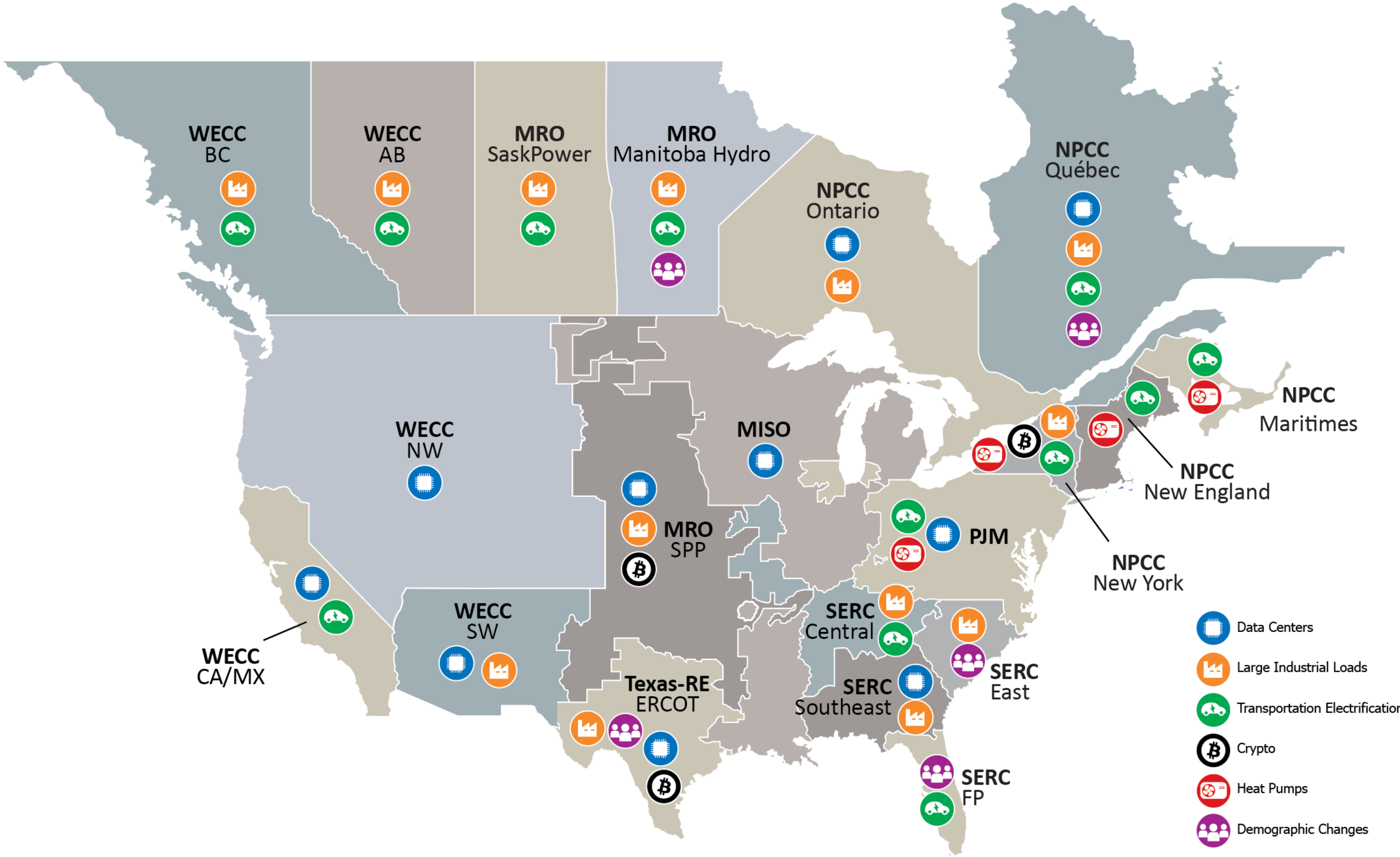


Figure 19: Primary Demand Drivers by Assessment Area

Peak Season Transition

Some of the sharpest peak demand forecast increases and growth rates can be seen in winter seasons as electrification in heating systems and transportation influence forecasts. Dual-peaking or changing from summer to winter peaking is anticipated in several areas, including the U.S. Southeast and Northeast. Electrification of heating systems and the anticipated growth of electric vehicles (which are expected to charge overnight and coincide with periods of electricity demand for heating) are driving factors. Such changes have wide-ranging implications for how the grid and resources are planned and operated. For example, resource output and fuel risks are significantly different in winter, requiring the focus of resource adequacy processes to change. The following are the areas that anticipate a change from a summer-peaking system to a winter-peaking (or dual-season peaking) system and the approximate year of the transition:

- NPCC-New England (mid-2030s)
- NPCC-New York (mid to late-2030s)
- NPCC-Ontario (2030)

In the U.S. Southeast, SERC-Central and SERC-East became dual-peaking systems in recent years. SERC-Southeast recently began experiencing slightly higher peak demand in winter compared to summer.

Reliability Implications

Demand and energy growth projections in this assessment period provide both challenges and opportunities for electric grid reliability. Planning for resource and transmission adequacy requires accurate long-term forecasting, but future demand and energy use will be influenced by many factors, including the economy, energy policies, technology development, weather, and consumer preferences. Changing patterns in electricity use, load behavior, and distributed energy resource performance affect the accuracy of operational load forecasts that are essential to grid operators. Large flexible loads and demand-side management programs hold promise for peak load management capabilities that can reduce the risk of firm load interruption.

Anticipating large commercial and industrial loads, electrification, electric vehicle adoption, and the impacts of energy transition programs on future demand and energy needs will require even more focus for planners and operators. Peak demand forecast changes in the past year had a noticeable effect on resource adequacy for many areas. A confluence of factors (economic, energy policies, technology development, and consumer preferences) has the potential to fuel continued growth.

Transmission Development and Interregional Transfer Capability

Transmission Projects

This year's cumulative level of 28,275 miles of transmission (>100 kV) in construction or stages of development for the next 10 years (see **Figure 20**) is substantially higher than the *2023 LTRA* 10-year projections (18,675 miles) and is above the average of the past five years of NERC's LTRA reporting on average (18,900 miles of transmission planning projects in each 10-year period published in the last five LTRAs). Transmission in construction has yet to increase substantially; rather, the large increase in transmission projects is seen in planning phases.

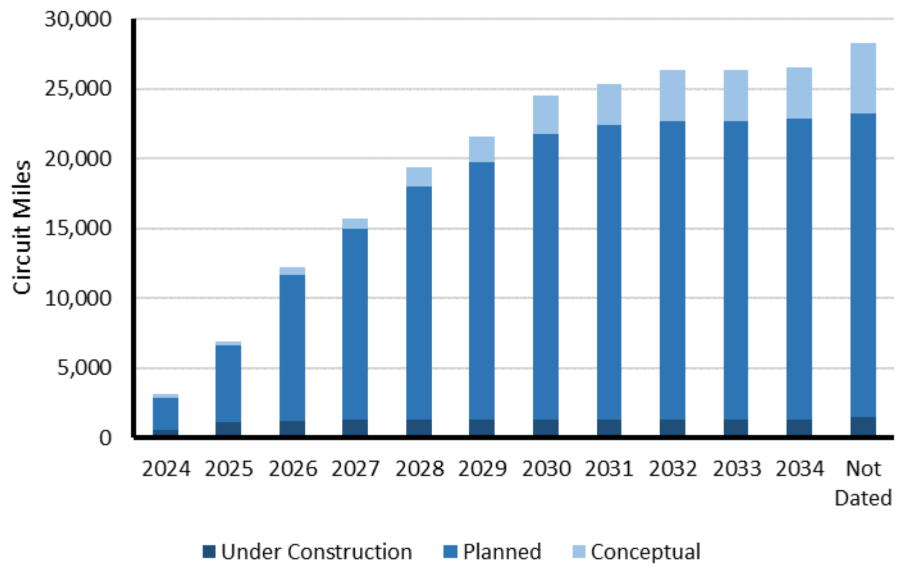


Figure 20: Future Transmission Circuit Miles >100 kV by Project Status

New transmission projects are being driven to support new generation and enhance reliability. **Figure 21** shows the percentage of future transmission circuit miles by primary driver. Most projects reported this year have been initiated for the purpose of grid reliability, which generally includes transmission projects that are needed to ensure that the BPS operates within established limits and design criteria. Some substantial new projects to integrate renewable generation are also in development or are entering planning processes. Nearly 70 of the 1,160 transmission projects in development are for tie-lines and tie-line upgrades, which support transfer capability between neighboring Balancing Authority areas. See the transmission summaries at the end of each assessment area's pages (in the **Regional Assessments Dashboards**) for current transmission development details.

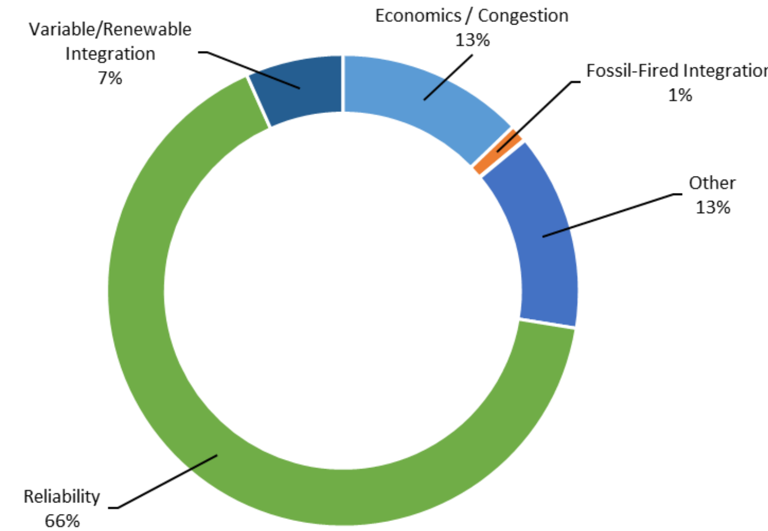


Figure 21: Future Transmission Circuit Miles by Primary Driver

Transmission development in some areas is hampered by siting and permitting challenges. Of the 1,160 projects that are under construction or in planning for the next 10 years, over 110 projects are currently delayed from their expected in-service dates. Siting and permitting issues are the most common cause for delays, affecting 68 projects (totaling 1,230 miles of new transmission). Other reasons for delays include economic impacts, planning and construction issues, or changing needs.

Interregional Transfer Capability Study (ITCS)

The Fiscal Responsibility Act of 2023[20] required NERC to conduct a comprehensive study of existing and future interregional transfer capability between each Transmission Planning Region[21] (TPR) to make recommendations for prudent additions to the amount of power that can be moved or transferred between neighboring TPRs and to make recommendations on how to meet and maintain transfer capability. In addressing this legislation, NERC identified additions to transfer capability that could support energy adequacy.[22] NERC filed the completed study report with FERC on November 19, 2024.[23]

Transfer Capability is the measure of the ability of the interconnected electric systems to reliably move or transfer electric power from one area to another area by way of all the transmission lines (or paths) between those areas under specific system conditions. The units of transfer capability are in terms of electric power, generally expressed in MW.

To provide further opportunities for stakeholder engagement and consultation, the project was divided into several stages, each with an accompanying report.

- **Overview of Study Need and Approach[24]:** Provided background and context regarding transfer capability calculations and the approach for recommending prudent additions, laying the foundation for the ITCS as a whole and its associated methods. (published in June 2024)
- **Transfer Capability Analysis (Part 1)[25]:** Addressed the first part of the congressional directive, which mandated a transfer capability analysis between each pair of neighboring TPRs, as well as the simultaneous import capability of each TPR. (published in August 2024)
- **Prudent Additions Recommendations (Part 2) and Meet/Maintain Recommendations (Part 3)**: Contained an energy margin analysis and resulting recommendations for prudent[26] additions to the transfer capability between neighboring TPRs to improve energy adequacy during, for example, extreme weather events. It also discussed how to meet and maintain transfer capability as enhanced by these prudent additions.
- **Canadian Analysis:** Due to the interconnected nature of the BPS, NERC will extend the study beyond the congressional mandate to identify and make recommendations to transfer capabilities from the United States to Canada and among Canadian provinces.[27]

Transfer Capability Analysis (Part 1)

Adequate transfer capability is fundamental to the reliable operation of the BPS. Balancing Authorities may rely on their neighbors to supply energy for various purposes, including economic or policy reasons. Transfer capability is also essential under stressed operating conditions, allowing Balancing Authorities to maintain reliability by importing needed energy from their neighbors. As the resource mix becomes increasingly dependent on just-in-time and weather-dependent fuel and energy for wind and solar, the ability to transfer electrical energy from areas of surplus to areas experiencing fuel or energy constraints has become essential to maintaining reliable delivery of electricity to end-use customers.

The ITCS is a congressionally mandated study to evaluate transfer capability and recommend additions to strengthen reliability.

A holistic view of the interconnected system and a thorough understanding of its behavior are essential when calculating or increasing transfer capability. When neighboring TPRs transfer energy over a highly interconnected system, the energy flows over many different lines based on the electrical characteristics, or impedance, of traveling each route, unless there is specific equipment used to control flows. As a result, energy typically flows not only across the tie lines that directly connect the exporting (source) TPR to the importing (sink) TPR but over many routes, some of which

[20] H.R.3746 - 118th Congress (2023–2024): Fiscal Responsibility Act of 2023 | Congress.gov | Library of Congress
[21] For the purposes of the ITCS, this term refers to the study regions that are described in **Error! Reference source not found.** and shown in Error! Reference source not found..
[22] As evidenced during recent operational events including Western Interconnection Heatwave (2020), Winter Storm Uri (2021) and Winter Storm Elliott (2022), more needs to be done to support energy adequacy to be able to continuously meet customer demand. This is the reliability risk that the ITCS seeks to identify and mitigate through additions to transfer capability.
[23] NERC filing of the Interregional Transfer Capability Study, FERC Docket AD25-4-000.
[24] The ITCS Overview of Study Need and Approach can be found here.
[25] The ITCS Transfer Capability Analysis (Part 1) report can be found here.
[26] FERC defines prudence as the determination of whether a reasonable entity would have made the same decision in good faith under the same circumstances at the relevant point in time. See, e.g., New England Power Co., 31 FERC ¶61,047 at p. 61,084 (1985); and PotomacAppalachian Transmission Highline, LLC, 140 FERC ¶61,229 at P 82 2012 (Sept. 20, 2012).
[27] The ITCS Part 1 evaluated transfer capability from Canada into the United States.

may be running through third-party systems. The way electrical energy flows has broad implications for calculating and using transfer capability in an interconnected system, especially when traveling over long distances. For example, maintaining and increasing transfer capability may be highly dependent on the system conditions within the source and sink TPRs as well as surrounding areas. Likewise, transfer capability does not correlate one-to-one with the rating of new or upgraded transmission facilities.

Part 1 Key Findings

- Transfer capability varies seasonally and under different system conditions that limit transmission loading—it cannot be represented by a single number.
- Transfer capability varies widely across North America, with total import capability varying between 1% and 92% of peak load.
- Observed transfer capabilities are generally higher in the West Coast, Great Lakes, and Mid-Atlantic areas but relatively lower in the Mountain States, Great Plains, Southeast, and Northeast. There is limited transfer capability between interconnections

The transfer capability results in the Part 1 report reflect the conditions studied and are not an exhaustive evaluation of the potential for energy transfers. This study used a set of cases representative of stressed system conditions most relevant for the Part 2 analysis. As such, the study did not attempt to maximize transfer capability values for each interface through optimal generation re-dispatch, system topology changes, or other operational measures. Consequently, higher transfer capabilities may be available under different conditions. Changes to future resource additions, resource retirements, load forecast changes, and/or transmission expansion plans have the potential to significantly alter the study results.

Recommendations for Prudent Additions (Part 2) and to Achieve Transfer Capability (Part 3)

Part 2 of the ITCS evaluated the energy adequacy of the BPS should past weather conditions occur again in 2033. Specifically, the study applied 12 past weather years to the 2033 loads and resource mix using the current transfer capabilities as calculated in Part 1. The Part 2 study then evaluated the impact that additional transfer capability could have in mitigating the identified resource deficiencies[28] during extreme events, thereby improving energy adequacy. Using a six-step process, the ITCS developed a list of recommended additions to transfer capability. Figure 22 shows the existing and potential new interfaces where additional transfer capability is recommended. While there are several factors that Transmission Planners consider, including reliability, economics, and policy objectives, given NERC's role as the ERO, the ITCS focused solely on reliability, specifically in terms of energy adequacy, for these recommendations.

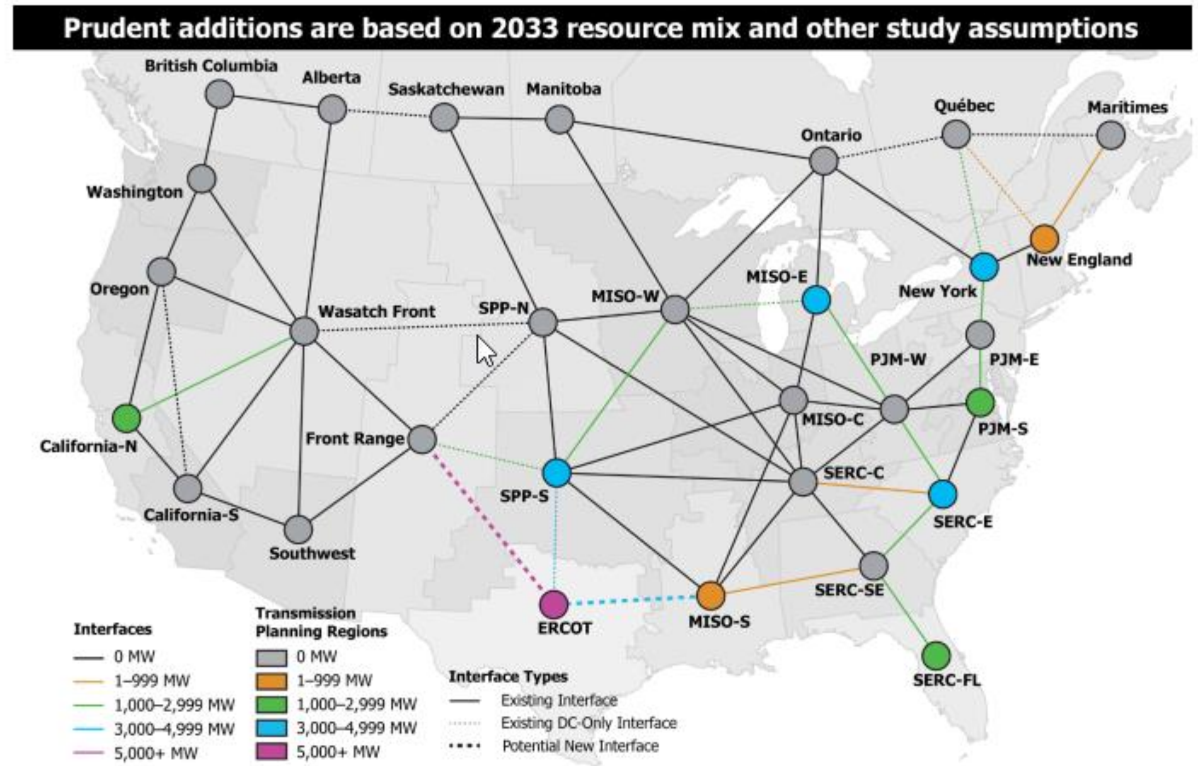


Figure 22: Prudent Additions to Transfer Capability

[28] For the purposes of this study, "resource deficiency" is used to describe instances where available resources, including energy transfers from neighbors, are insufficient to meet the projected demand plus minimum margin level.

The resulting recommendations for prudent additions to transfer capability (Part 2 study) were published in a report along with recommendations to meet and maintain transfer capability as enhanced by the prudent additions (Part 3).[29] Planners have multiple options for reducing the energy adequacy and extreme weather risks. In addition to the transmission enhancements that were in scope for the ITCS, due consideration should also be given to constructing local generation and storage, demand-side management approaches, and grid resilience projects. The ITCS recommended that planners consider all options and balance reliance on external resources vs. internal resources, noting that there may be better options than an over-reliance on one or the other.

Part 2 Key Findings

- Import capability required to reliably serve customers during extreme conditions varied significantly across the country, so a one-size-fits-all requirement would be inefficient and ineffective.
- Transmission limitations and the potential for energy inadequacy were identified in all 12 years studied.
- 35 GW of additional transfer capability is recommended across the United States to improve energy adequacy under extreme conditions.
- Some identified transmission needs could be alleviated by projects already in the planning, permitting, or construction phases. If completed, these projects could mitigate several risks highlighted by the ITCS, reinforcing their importance for grid resilience.
- The ITCS provides foundational insights for further discussion, and decisions. Transmission upgrades alone will not fully address all risks, and a broader set of solutions should be considered, emphasizing the need for local resources, energy efficiency, demand-side, and storage solutions.

See the *ITCS Final Report* for Detailed Key Findings

[29] The ITCS report *Recommendations for Prudent Additions to Transfer Capability (Part 2) and Recommendations to Meet and Maintain Transfer Capability (Part 3)* can be found here.

Emerging Issues

While developing this LTRA, NERC and the industry considered trends and developments that have the potential to impact the future reliability of the BPS over the next 10 years and beyond. Discussed below are emerging issues and trends not previously covered in this report that have the potential to impact future long-term projections or resource availability and operations.

Data Centers and Large Industrial Load

Growth in large load parcels like data centers and industrial facilities pose various challenges for system planners and operators, in addition to fueling rapid demand growth discussed elsewhere in this report. Figure 23 shows one estimate of data center growth in the United States by 2027.[30] Other types of large industrial loads include smelters, manufacturing centers, hydrogen electrolyzers, and future electrified mass transit or shipping charging stations. Adding large parcels of load on the system can add new uncertainties to peak and hourly load forecasting. For example, data centers have longer operating hours and require more heating and cooling than other commercial buildings. In Texas, crypto mining facilities have connected in recent years that scale their operations (and thus electricity demand) depending on electricity prices. The behavior of large data centers during normal grid faults is also an emerging concern because customer-initiated automatic disconnecting of sizeable load can cause operating issues. Sudden and unexpected disconnecting load during a grid fault is analogous to well-known IBR performance issues and poses similar reliability risks. Planners and operators need to consider the characteristics of these loads as they begin to proliferate and support NERC RSTC's Large Loads Task Force to share best practices.

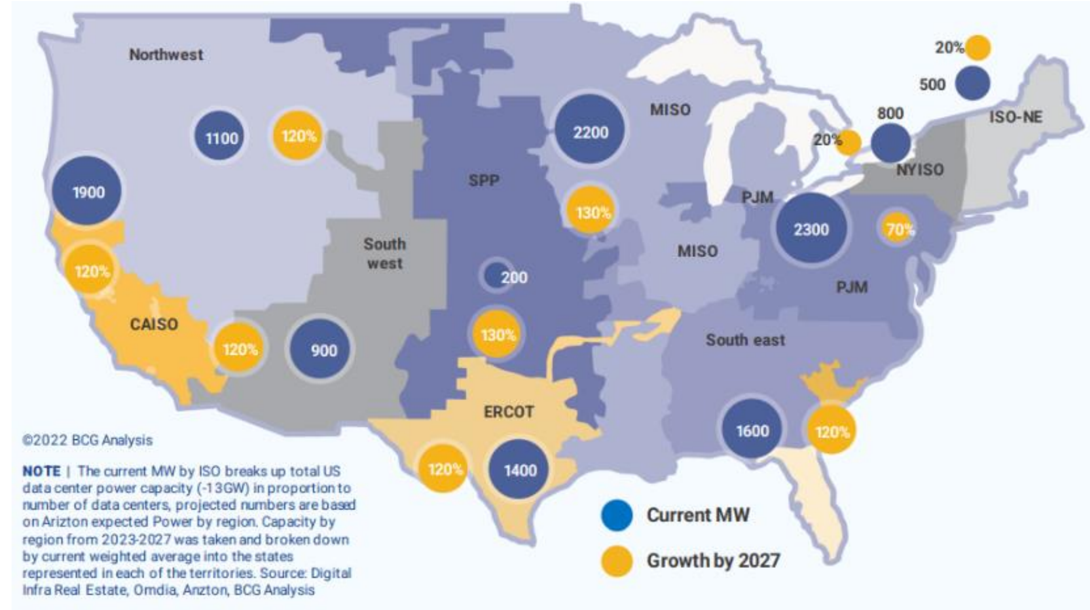


Figure 23: Projected Growth in Data Centers in the United States

Battery Energy Storage Systems

Planners and operators are focused on requirements to model, study, and operate the BPS with increased BESS and hybrid resources. BESS are increasingly being relied upon in areas with substantial amounts of solar PV resources to reduce ramping requirements on other resources by discharging in late afternoon as solar PV output rapidly declines. BESS are also often used for ancillary services, such as frequency response. Accurately accounting for BESS in operating and planning studies is a challenge because it requires assumptions and modeling capabilities for battery charging and discharging behavior. In real-time operations, system operators often do not have visibility into battery state-of-charge, a necessary condition for reliably integrating batteries into system operating plans. Without such information, operators may be surprised should battery resources fail to deliver when needed. In Texas, where battery resource growth is among the highest in North America, ERCOT uses a battery storage data collection program to obtain operational information and is pursuing market rules for state-of-charge accounting in unit commitment processes. System planners in many areas will be counting on new BESS facilities to manage variability and demand and resources. Obtaining the benefits of these resources requires careful integration into operating, planning, and market designs.

[30] *Grid Strategies: The Era of Flat Power Demand is Over*: https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023.pdf

Electric Vehicles and Electric Load

With increased adoption of electric vehicles (EV), which use batteries to store energy, there is a need to understand the impact of battery charging on system performance. EV forecasting is important for resource adequacy and system planning to account for changing load and load patterns. It is also important for system studies to include EV modeling and parameterization that account for the behavior of battery charging systems on system performance. In January 2024, NERC released the *EV Charging Study*, noting that the behavior of large amounts of EV chargers in operation can affect the BPS response to common outages. The RSTC established an EV Task Force to promote collaboration among the electric power industry and automotive representatives on areas of grid reliability.

Energy Drought

More reliance on wind, solar, and hydro resources in the resource mix has the potential to expose the electric system to supply shortages under abnormal weather patterns. When two or more resource types are simultaneously affected by conditions that cause below-normal resource output, operators can face challenges in meeting demand. Analysis of U.S. historical hourly generator data indicates that there are regional patterns to energy drought that can be expressed in terms of duration, magnitude, and seasonality (See **Figure 24**). There is also a higher likelihood for energy droughts to be more likely occur during high-load periods than at other times, underscoring the importance in considering such events in planning for resource and storage needs.[31]

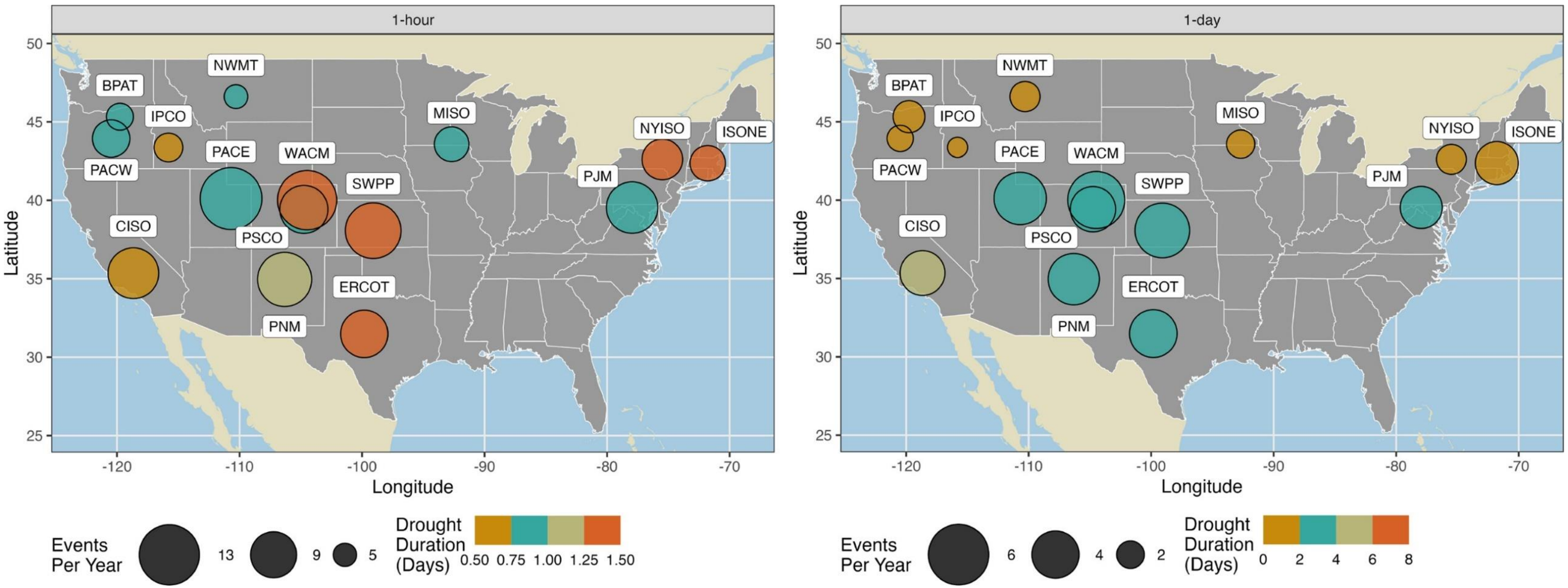
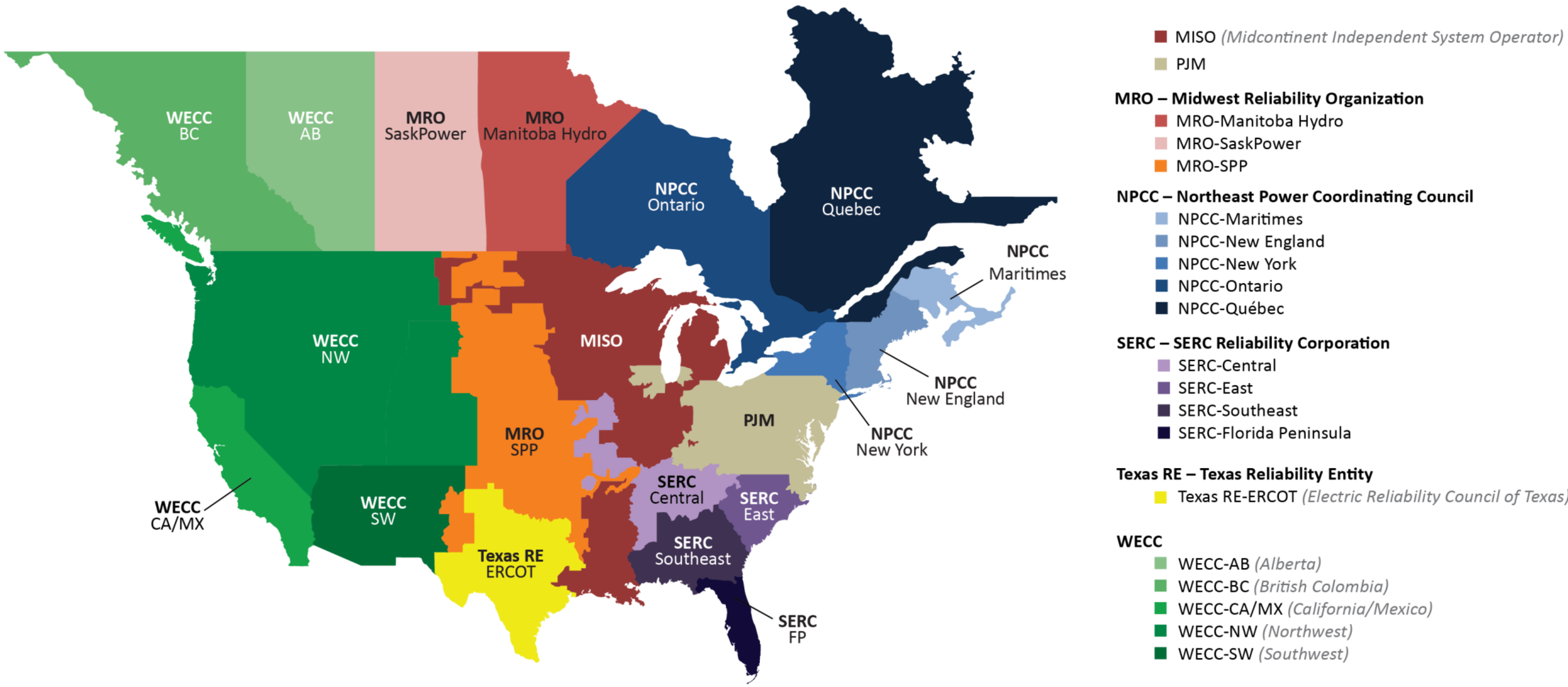


Figure 24: Frequency and Duration of Hourly (Left Panel) and Daily (Right Panel) Energy Droughts. Source: Pacific Northwest National Laboratory

[31] See Standardized benchmark of historical compound wind and solar energy droughts across the Continental United States

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 **Demand Assumptions and Resource Categories** table. On-Peak Reserve Margin bar charts show the ARM compared to the RML established for the 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.

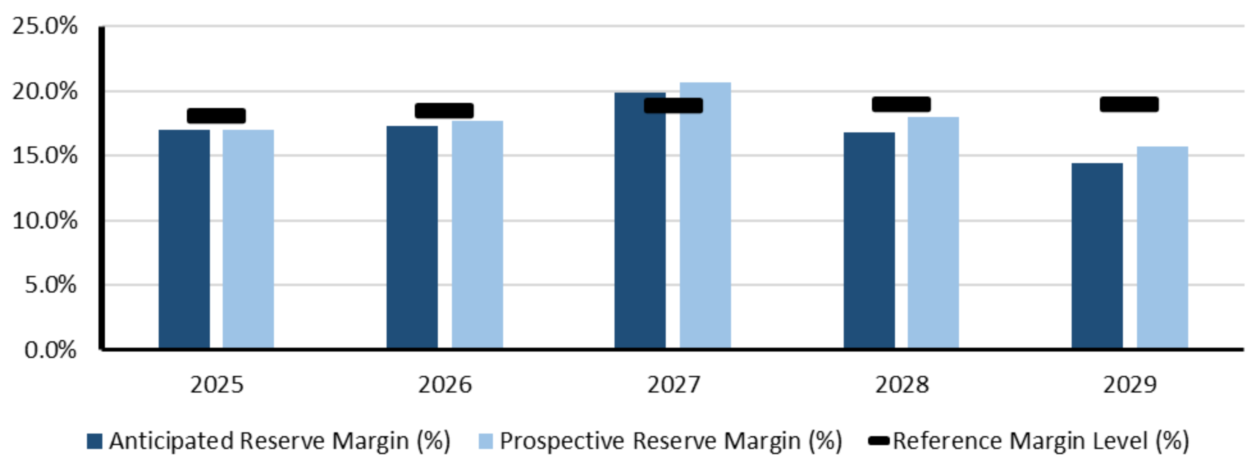


MISO

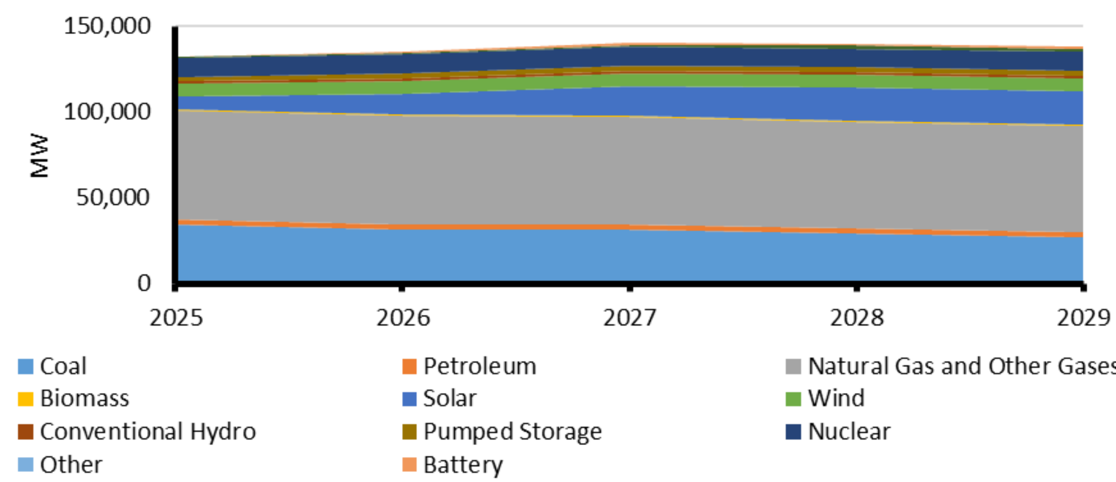
Midcontinent Independent System Operator, Inc. (MISO) is a not-for profit, member-based organization that administers wholesale electricity markets that provide customers with valued service; reliable, cost-effective systems and operations; dependable and transparent prices; open access to markets; and planning for long-term efficiency. MISO manages energy, reliability, and operating reserve markets that consist of 36 local Balancing Authority and 394 market participants, serving approximately 42 million customers. Although parts of MISO fall in three Regional Entities, MRO is responsible for coordinating data and information submitted for NERC's reliability assessments.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	122,328	124,343	126,073	128,700	129,401	130,120	130,493	131,327	131,952	131,952
Demand Response	8,205	8,221	8,058	8,065	8,074	8,077	8,079	8,075	8,075	8,075
Net Internal Demand	114,122	116,122	118,015	120,635	121,327	122,043	122,414	123,252	123,877	123,877
Additions: Tier 1	4,959	11,376	18,275	21,501	22,205	22,205	22,205	22,205	22,205	22,205
Additions: Tier 2	19	464	916	1,486	1,486	1,486	1,486	1,486	1,486	1,486
Additions: Tier 3	803	3,686	8,252	13,017	15,546	16,399	16,542	16,608	16,659	16,659
Net Firm Capacity Transfers	1,320	1,270	1,165	925	855	750	549	549	549	549
Existing-Certain and Net Firm Transfers	128,520	124,787	123,153	119,397	116,669	112,823	110,273	110,273	106,838	106,838
Anticipated Reserve Margin (%)	17.0%	17.3%	19.8%	16.8%	14.5%	10.6%	8.2%	7.5%	4.2%	4.2%
Prospective Reserve Margin (%)	17.0%	17.7%	20.6%	18.0%	15.7%	11.9%	9.4%	8.7%	5.4%	5.4%
Reference Margin Level (%)	18.1%	18.5%	18.9%	19.0%	19.0%	19.3%	19.5%	19.8%	20.1%	20.1%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- MISO's capacity resource turnover continues to occur with coal unit contributions being primarily replaced by solar, wind, and battery facilities. Furthermore, generation installation delays result in uncertainty throughout the assessment timeframe. As a result of these factors, MISO is facing capacity shortfalls beginning in 2025.
- MISO's reduction in capacity resources since the *2023 LTRA* has primarily been in the coal fleet with a reduction of 6,200 MW in the first year of the assessment.
- MISO has continued the seasonal capacity auction construct and has found growing evidence of risk in non-peak (e.g., spring and fall) seasons. Countering the risk during these off-peak seasons requires more resources to be available, and this can result in less opportunity for generators to pursue their maintenance needs. During peak seasons when high levels of generator availability are expected, short-notice unplanned outages and higher forced outages could occur as a result of deferred maintenance and challenge reliability.

MISO Projected Generating Capacity by Energy Source in Megawatts (MW)

	2025	2026	2027	2028	2029
Coal	34,637	31,706	31,618	29,067	26,841
Coal*	27,450	24,362	23,203	17,977	16,744
Petroleum	3,065	3,058	3,060	3,050	3,050
Petroleum*	2,992	2,990	2,992	2,992	2,992
Natural Gas	63,051	62,977	62,616	62,394	62,009
Natural Gas*	62,576	61,543	62,396	62,394	62,009
Biomass	577	571	553	481	481
Solar	8,091	12,538	17,318	19,174	19,763
Wind	6,954	7,236	7,536	7,632	7,660
Conventional Hydro	1,527	1,527	1,527	1,527	1,527
Pumped Storage	2,528	2,528	2,578	2,578	2,578
Nuclear	11,027	11,127	11,127	11,127	11,127
Other	72	72	72	72	72
Battery	208	582	1,011	1,358	1,377
Total MW	132,159	134,892	140,263	139,973	138,018
Total MW*	124,423	126,048	131,562	128,826	127,864

*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to give formal notice to MISO are removed from the resource projection where marked.

MISO Assessment

Planning Reserve Margins

The planning reserves across the MISO footprint in the summer and winter are projected to fall below reserve margin requirements as new generation is insufficient to make up for generator retirements and load growth. MISO's delays in generator construction result in a 2.7 GW shortfall. It is important to note that there is 56 GW of generation with signed generation interconnection agreements that are yet to come online as of July 5, 2024, so there is an opportunity to accelerate installation speeds.

Increased coordination between MISO and its members will be critical to ensuring reliability throughout this resource transition of integrating new intermittent resources and continuing to retire conventional resources. Resource adequacy is a key function of MISO, and the MISO annual planning resource auction (PRA) provides a mechanism for capacity sellers to provide resources that meet the needs of load-serving entities for each of the four seasons in the upcoming year. MISO's resource adequacy construct complements the jurisdiction that regulatory authorities have in determining the necessary level of adequacy.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

The introduction of the seasonal PRA and inputs to the process provide more granularity and reliability planning for non-peak hour times during the year. In addition to that change, MISO conducts seasonal resource assessments evaluating generation availability, outage rates, and forecasted load variation across all four seasons.

Probabilistic Assessments

To establish RMLs that define the minimum reserve margins for resource adequacy, MISO performs its annual probabilistic Loss-of-Load Expectation (LOLE) Study per MISO tariff. In recent years, MISO improved its LOLE study modeling by including seasonal outage rates, correlated cold weather outage adder profiles, a probabilistic distribution of non-firm support, and 30 years of hourly wind and solar profiles. The LOLE study produces seasonal RMLs for the upcoming planning year that are used in MISO's planning resource auction. These RMLs are calculated such that they prescribe the minimum PRM that will meet an LOLE of 1 day in 10 years. Because MISO is projected to have ARM below these RMLs, resource adequacy criteria are not met, indicating it is likely that supplies would be insufficient during normal summer and winter peak demand and outage conditions.

For more information on the seasonal LOLE Study, visit: https://cdn.misoenergy.org/LOLE%20Study%20Report%20PY%202024-2025631112.pdf.

MISO also performed a probabilistic analysis for the 2024 ProbA. Because MISO used the same model for both the ProbA and the LOLE study, transmission limitations were not included explicitly in the simulations. It is appropriate for MISO to make this assumption for the LOLE study and for determining capacity needs in the MISO system because MISO accounts for transmission limitations elsewhere in the resource adequacy process. However, for an adequacy assessment like the ProbA, the assumption can overvalue resource performance by not accounting for transmission constraints on the deliverability of energy resources. The resulting 2024 ProbA metrics in the table below can understate the risk of unserved energy and load loss.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	68.8	**0.000**	**0.000**
EUE (PPM)	0.108	**0.000**	**0.000**
LOLH (hours per year)	0.393	**0.000**	**0.000**
Operable On-Peak Margin	13.9%	**11.3%**	**11.3%**

* Provides the 2022 ProbA Results for Comparison

All-hours probabilistic studies of the MISO system performed apart from the 2024 ProbA show that shortfall risks can also occur during spring and fall in months that are not peak demand seasons for MISO. The 2022 NERC ProbA Regional Risk Scenario Sensitivity Case included seasonal forced-outage rates and correlated cold weather outages instead of annual average outage rates. MISO found that not only did EUE increase in this sensitivity, but it was also spread throughout the year. Since this study, MISO implemented enhancements to its LOLE study and PRA to address seasonal resource needs.

Demand

The peak demand forecast has increased from the *2023 LTRA* by close to 3 GW (~2.5%), and, while the load forecasts still vary across year to year, the load at the end of the study horizon is ~5 GW higher (~4%). Load-serving entities do not include DR resources in the load forecast, and MISO does not have much insight into the amount of electrification built into the load forecasts. There are other studies at MISO investigating electrification and transportation industry impacts to load forecasts through the MTEP report. MISO contracted with Applied Energy Group (AEG) to evaluate the MISO footprint's electrification potential. This is documented in the report and has been utilized to update the MISO Futures Report.

Demand-Side Management
DR programs continue to play a significant role in providing capacity to MISO. DR is steady around 8 GW in the summer and 6.5 GW in the winter and is projected to remain constant during the study horizon. MISO's transition to seasonal auctions highlights accreditation of DR and availability during non-summer seasons.

Distributed Energy Resources
Behind-the-meter generation (BTMG) resources contribute about 4.2 GW of capacity across the study horizon, of which ~1.2 GW are distributed PV. MISO's transition to seasonal auctions highlights the availability of DERs across the four seasons, and MISO is working with stakeholders to derive adequate methods of aggregating, reporting, and allowing DER participation in MISO markets.

Generation
The departure of MISO's coal fleet has continued with a reduction in capacity of around 6 GW in the past year, and a projected reduction of a further 12 GW over the next five years. Solar continues to rise in capacity contributions with a growth of 1,200 MW since the *2023 LTRA* and growth of 3,200 MW in the first year of the study.

There are ~56 GW installed capacity (ICAP) of generation (predominantly solar and battery) with signed generation interconnection agreements in MISO that are projected to come on-line over the next few years. There have been some supply chain and tariff issues that have delayed the commercial operation of these resources.

Due to the large size in the MISO interconnection queue, in the 2022 LTRA (similarly to the OMS-MISO Survey), prospective generation in the queue gets multiplied by a factor based on the study phase and likelihood of that resource coming on-line and gets added into the footprint over time. This reduction is utilized to minimize the impact of prospective generation projects that will not come to fruition through the queue cycle. MISO continues to pursue queue reform efforts to expedite the process by ensuring projects being studied are of adequate certainty.

Transmission
The MISO Transmission Expansion Plan (MTEP) 2021 included the Long-Range Transmission Plan (LRTP) tranche 1 projects totaling $10.3 billion in investment for reliability and economic benefits estimated at $23–52 billion across the MISO footprint while also facilitating the integration of ~53 GW of new resources. In MTEP22, $4.3 billion in transmission projects were approved with $550 million going toward integrating new resources, $550 million going toward baseline reliability projects, and the age and condition category for the rest. MTEP23 includes a further $9 billion investment into the MISO footprint to address the local needs of the region. MISO is also pursuing LRTP tranche 2 with an expected investment of $18-23 billion to implement a 765 kV backbone into the northern portion of the footprint. These projects are expected to be included as part of MISO's MTEP24 project portfolio. In MTEP24, $6.7 billion in transmission projects have been submitted for board approval. MISO is also pursuing LRTP tranche 2.1 with an expected investment of $21.8 billion to implement a 765 kV backbone into the midwestern portion of the footprint. Tranche 2.1 brings reliability and economic benefits estimated at $51.7–101 billion across the MISO Midwest footprint, facilitating integration of ~115.7 GW of new resources.

Energy Storage
MISO's energy storage resources are still primarily in the future with only 84 MW of online storage. The MISO interconnection queue does have a significant amount of energy storage upcoming, but these are primarily Tier 3 resources at present.

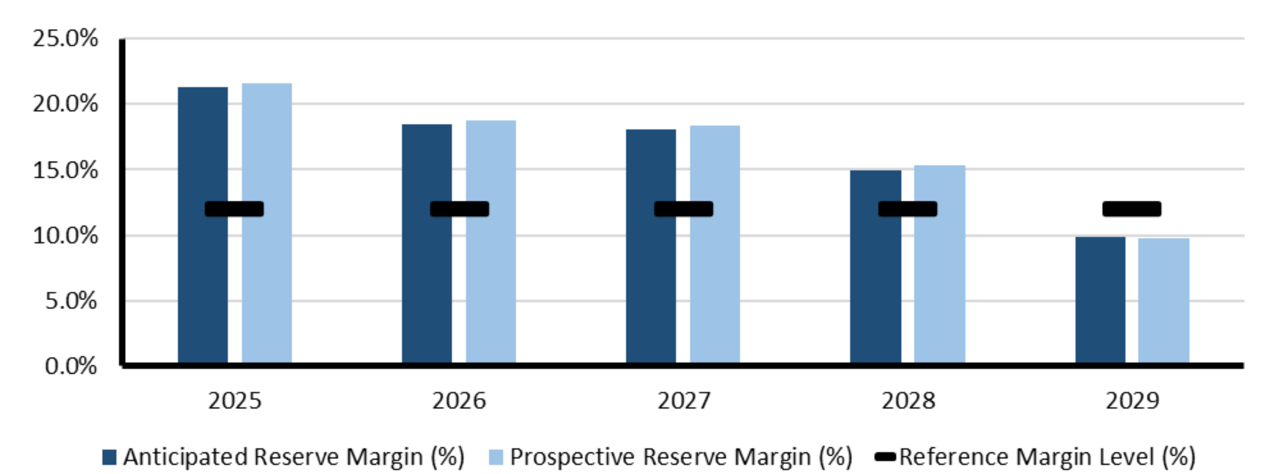
Capacity Transfers
MISO benefits from significant transfer capacity with neighboring assessment areas due to the geographic location. MISO and SPP continue to finalize the Joint Targeted Interconnection Queue (JTIQ) portfolio to resolve the binding constraints that have traditionally delayed the interconnection process. MISO's utilization of capacity transfers is identified in the LOLE report and memorialized through the MISO PRA.

MRO-Manitoba Hydro

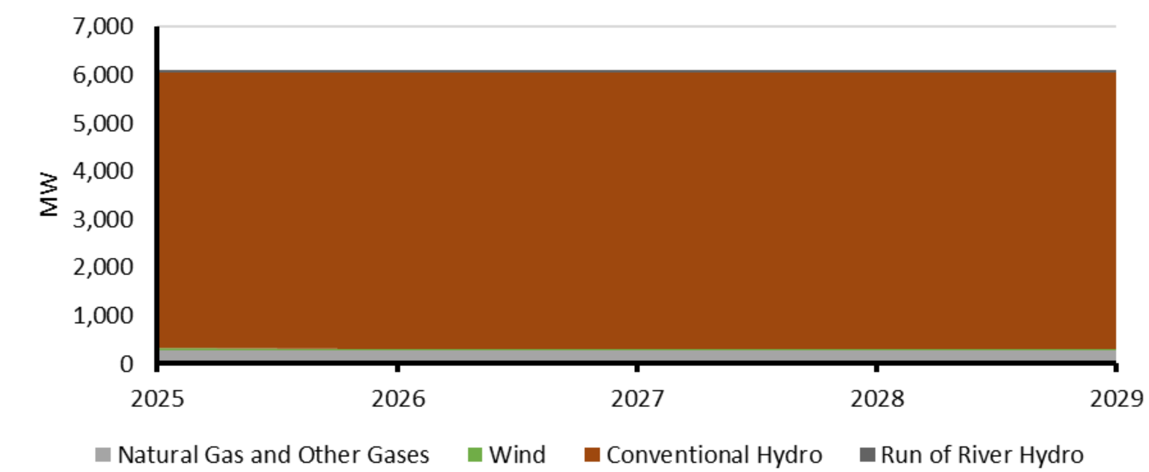
Manitoba Hydro is a provincial Crown Corporation and one of the largest integrated electricity and natural gas distribution utilities in Canada. Manitoba Hydro provides electricity to approximately 616,000 electric customers in Manitoba and provides approximately 296,000 customers with natural gas in southern Manitoba. The 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 and Balancing Authority. Manitoba Hydro is a coordinating member of MISO. MISO is the Reliability Coordinator for Manitoba Hydro.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	4,797	4,923	4,968	5,037	5,268	5,366	5,427	5,486	5,556	5,629
Demand Response	0	0	0	0	0	0	0	0	0	0
Net Internal Demand	4,797	4,923	4,968	5,037	5,268	5,366	5,427	5,486	5,556	5,629
Additions: Tier 1	30	51	64	64	64	64	64	64	64	64
Additions: Tier 2	0	0	0	0	0	0	0	0	0	0
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	-113	-113	-93	-167	-172	-565	-565	-565	-565	-565
Existing-Certain and Net Firm Transfers	5,786	5,780	5,800	5,726	5,721	5,328	5,328	5,328	5,328	5,328
Anticipated Reserve Margin (%)	21.3%	18.4%	18.0%	15.0%	9.8%	0.5%	-0.6%	-1.7%	-2.9%	-4.2%
Prospective Reserve Margin (%)	21.6%	18.8%	18.4%	15.3%	9.8%	0.5%	-0.6%	-1.7%	-3.0%	-4.2%
Reference Margin Level (%)	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The electricity demand forecast in the province of Manitoba has increased since the *2023 LTRA*, driven by expected economic activity and adoption of EVs. Resource projections have not changed significantly.
- The ARM falls below the RML of 12% beginning in Winter 2029–2030 due to load growth and the reduction of winter import capacity transfers. Manitoba Hydro is performing analysis to inform its integrated resource plan and support future decisions for resources.

MRO-Manitoba Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025–2026	**2026–2027**	**2027–2028**	**2028–2029**	**2029–2030**
Natural Gas	278	278	278	278	278
Wind	52	31	31	31	31
Conventional Hydro	5,705	5,726	5,739	5,739	5,739
Conventional Hydro*	5,705	5,726	5,739	5,739	5,721
Run of River Hydro	856	856	856	856	856
Total MW	6,094	6,094	6,107	6,107	6,107
Total MW*	6,094	6,094	6,107	6,107	6,089
*** Capacity with additional generator retirements.** Generators that are being considered for retirement but have not been confirmed are removed from the resource projection where marked.					

MRO-Manitoba Hydro Assessment

Planning Reserve Margins

The winter ARM falls below the Reference Margin Level of 12% in 2029–2030. No resource adequacy issues are anticipated until Winter 2029–2030. A Tier 1 project to replace eight older and smaller hydro units is being planned for the Pointe du Bois Generating Station. The Pointe du Bois Renewable Energy Project (PREP), approximately 50 MW, replaces the original hydro units that were mothballed or retired based on economics/end of life after about 100 years of operation. No Tier 2 or Tier 3 resources have been assumed to come into service during the assessment period.

The ARM falls below the Reference Margin Level of 12% beginning in Winter 2029–2030 due to net load growth and the reduction of winter import capacity transfers. Manitoba Hydro's Integrated Resource Plan was published in Summer 2023. Further analysis is underway and will help inform Manitoba Hydro's future resource decisions for resources in the 2029 timeframe.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

Under normal water conditions, over 95% of the generation in Manitoba Hydro's system is from renewable energy—primarily hydro generation and wind generation. As the operator of a predominantly hydro system, Manitoba Hydro frequently performs an all-hours energy adequacy analysis of the near-term through seasonal time periods to manage reservoir energy storage and meet system demand. Additionally, Manitoba Hydro conducts specific analyses to determine short-term storage and minimum flow requirements for maintaining Manitoba and extra-provincial resource adequacy obligations. As there are modest levels of wind and solar on the Manitoba Hydro system, the resource adequacy risk on the Manitoba Hydro system over the next five years and under normal water conditions is expected to coincide with peak demand hours.

There are a number of influencing factors associated with Manitoba Hydro's resource adequacy performance, such as the water resource conditions, energy and capacity exchanges with neighboring jurisdictions, forecast load level, uncertainties in load forecast and load variation profiles, demand responses, wind penetration, and generation fleet availability. Most of Manitoba Hydro's generating facilities are use-limited or energy-limited hydro units. The annual energy output of these facilities is mostly dependent on the availability of the water resource. In the 2024 ProbA, Manitoba Hydro examines the impact of the most significant factor over the long run—variations in water conditions.

Nonzero LOLH and EUE are observed for both reporting years of 2026 and 2028 and shown in the table below. The LOLH and EUE indices are higher compared to the 2022 assessment mainly due to the increase in the forecast peak demand. Water flow conditions of 10th percentile or lower tend to increase the LOLH and EUE. As a small winter-peaking system on the northern edge of a large summer peaking system (MISO), there generally is assistance available, particularly in MISO's off-peak hours, to provide energy to supplement hydro generation in low-flow conditions in winter. Management of energy in reservoir storage in accordance with good utility practice provides risk mitigation under low water flow conditions.

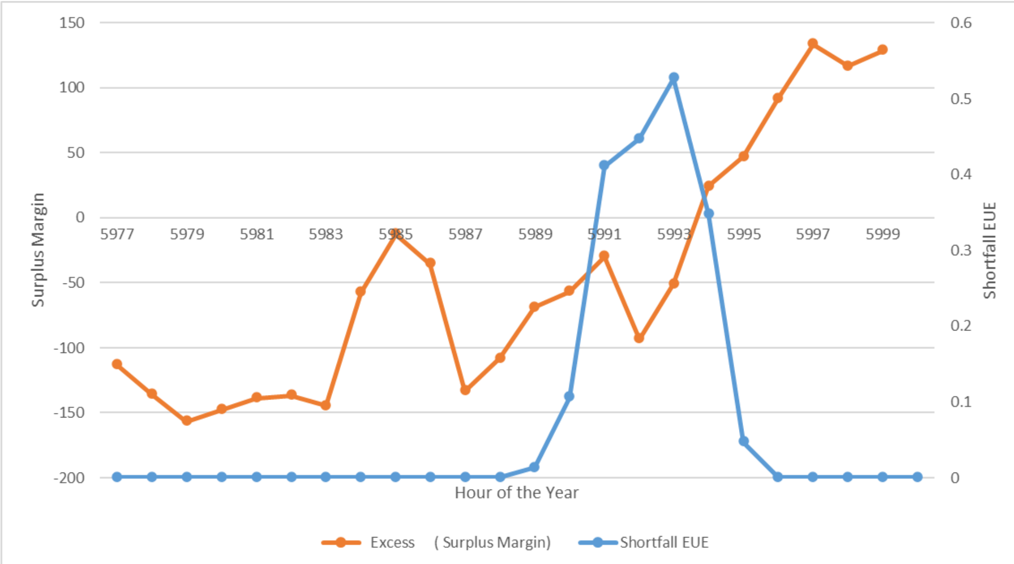
Base Case Summary of Results

	2026*	2026	2028
EUE (MWh)	7.23	**4.711**	**68.870**
EUE (PPM)	0.29	**0.176**	**2.504**
LOLH (hours per year)	0.01	**0.059**	**0.914**
Operable On-Peak Margin	13.5%	**18.8%**	**15.6%**

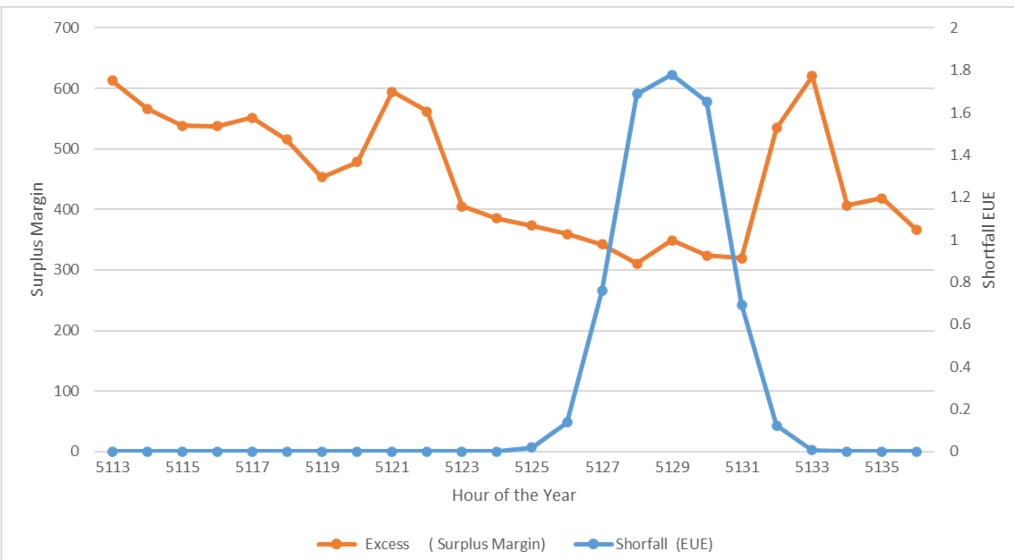
* Provides the 2022 ProbA Results for Comparison

The Monthly EUE and LOLH for 2026 and 2028 show that the highest LOLH and EUE contribution are from July and November, respectively, for 2026 and 2028.

The two graphs below show the hourly energy availability on the Manitoba Hydro system during the ProbA's highest risk days in 2026 and 2028. Surplus energy and shortfall EUE are plotted for the day when the highest loss of load event happens in the ProbA analysis. The Probability Weighted Average (PWA) surplus margin is negative, which indicates possible loss of loads for 2026. However, the PWA surplus energy is higher for 2028 during the day when the highest loss of load event is observed. This is because the surplus is an average for different water year data and the average surplus may not represent the event when loss of load occurs.

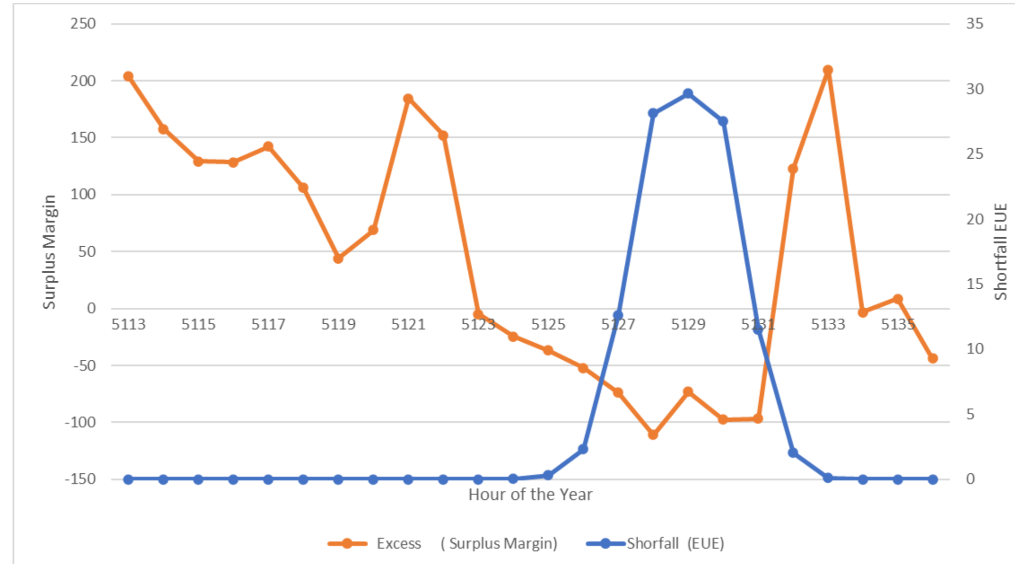


Hourly PWA Surplus Margin and Shortfall EUE for 2026 Representative Risk Day (Summer)



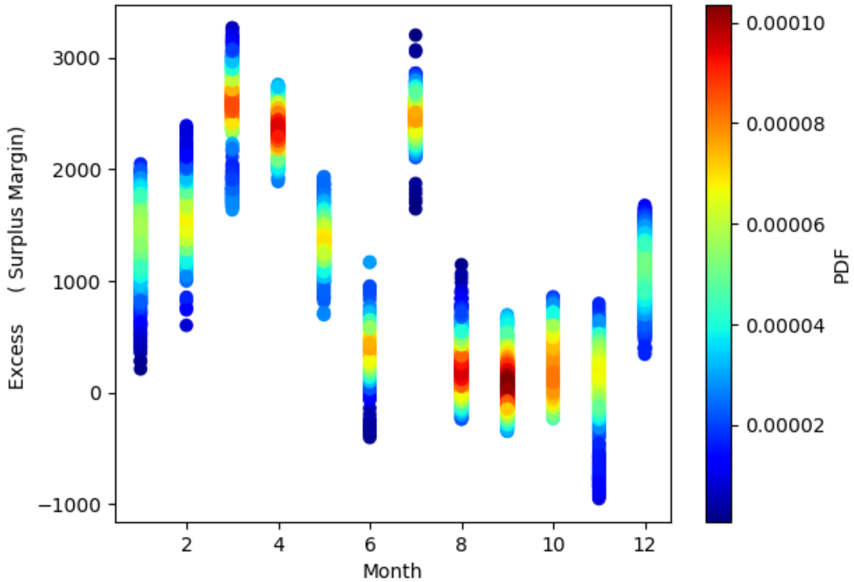
Hourly PWA Surplus Margin and Shortfall EUE for 2028 Representative Risk Day (Summer)

The figure below shows the surplus margin and shortfall EUE for 2028 under extreme drought conditions. It can be seen that the loss-of-load event occurs when the surplus margin becomes negative. This surplus energy shown in the figure is the average value for this hour for the entire simulation. It may not represent each individual loss-of-load event during simulation. By plotting the hourly surplus and unserved energy for the low-water years, it is possible to see what risk periods are likely to emerge during extreme drought.



Hourly PWA Surplus Margin and Shortfall EUE for 2028 Representative Risk Day (Summer) During Extreme Drought Condition

The scatter plots of surplus energy vs. month for 2026 and 2028 are shown in the figures below. In the months of June and August to November, the PWA surplus energy is relatively lower compared to the other months due to less import from MISO. The PWA surplus energy in July 2026 is high due to higher hydro energy availability for July. However, since PWA is the result of averaging, positive surplus energy does not mean that there will be no loss-of-load events.



PWA Surplus Energy Versus Month for 2026

Demand

Manitoba Hydro's load-growth forecast is up around 3.2% over the assessment period in comparison with the forecast used for the *2023 LTRA*. Factors considered in load-growth projections include economic activity, EV adoption, and demand-side management programs in Manitoba operated by Efficiency Manitoba. EV adoption in Manitoba is being driven in part by proposed federal regulations that are expected to require that at least 20 percent of new vehicles sold in Canada will be zero-emission by 2026, at least 60 percent by 2030, and 100 percent by 2035.

Manitoba Hydro is anticipating load growth of 1.3% over the last half of the assessment period. Limited surplus firm generation resources (resource adequacy) have the potential to slow the connection of very large new industrial loads. In order to limit load growth, Manitoba Hydro has been directed by the Province of Manitoba to suspend processing of cryptocurrency load connections until 2026.

Demand-Side Management

Manitoba Hydro currently does not have any form of directly controllable and dispatchable DR programs. Manitoba Hydro does have an indirectly controllable and dispatchable DR program called the Curtailable Rate Program.

The Curtailable Rate Program provides approximately 160 MW of load reduction through up to 16 load curtailments of 4¼ hours each on five minutes notice. The program is intended for peak load management. In addition, one product provides 50 MW of contingency reserves, also on five minutes' notice.

The terms and conditions of the Curtailable Rate Program were updated in August 2023 to require an annual curtailment test, increase the number of possible curtailments, extend the notice period for conversion to firm service, and make minor editorial changes.

Distributed Energy Resources

Manitoba is not currently experiencing large additions of wind and solar resources being seen in other regions; hence, emerging reliability issues arising from such large wind and solar resource additions are not anticipated in the next five years. Additions of energy storage resources in the next 10 years are not anticipated at this time. There is a potential for significant solar DER resources in the latter half of the assessment period, and plans are being developed to study the impacts on the Manitoba Hydro system. The potential for future solar DER may be dependent on solar PV subsidies and/or incentives.

Generation

Manitoba Hydro is monitoring federal and provincial policy/strategies/regulations related to electricity/energy. The Canadian federal government is considering significant carbon emission regulations. Through Environment and Climate Change Canada, it is taking multiple steps to develop clean electricity regulations that aim for Canadian electricity generation to achieve net-zero greenhouse gas emissions by 2035 by requiring generating units to meet a stringent emissions intensity standard (measured in tons CO2 equivalent per GWh) and pay a price for any remaining emissions. The proposed regulations are still in development and not proposed to be fully implemented until 2035, so it is too early to determine any potential impacts. The Province of Manitoba is developing a provincial energy strategy/policy which may be released in Fall 2024. As details are not yet available, it is too early to determine any potential impacts.

Energy Storage

Manitoba Hydro currently has no energy storage resources, and none have been committed to over the next 10-year period.

The hydro generation resources, while not storing electricity directly, do store water in a reservoir for conversion to electricity and have been in use for over 100 years. For most hours of the year, the only dispatchable resources online are hydro generation resources which therefore serve most operational, reliability, and economic functions.

Capacity Transfers
Manitoba Hydro has coordination and tie-line agreements with neighboring assessment areas, such as MISO, SaskPower, and the IESO. In accordance with these agreements, planning- and operating-related issues are discussed and coordinated through respective committees. In addition to this planning and operating committee work, Manitoba Hydro engages with the neighboring utilities of Minnesota Power, Xcel Energy, Otter Tail Power, Minnkota Power Cooperative, SaskPower, and Hydro One regularly to share information, discuss issues, and coordinate activities. Manitoba Hydro also coordinates planning studies (for example, transmission service request studies and requests for generation interconnections) with its neighboring assessment areas. In addition, capacity transfers are verified from a resource adequacy perspective with adjacent regions/entities. Significant capacity transfer limitations from MISO into Manitoba may have the potential to cause reliability impacts but only in extreme conditions occurring simultaneously.

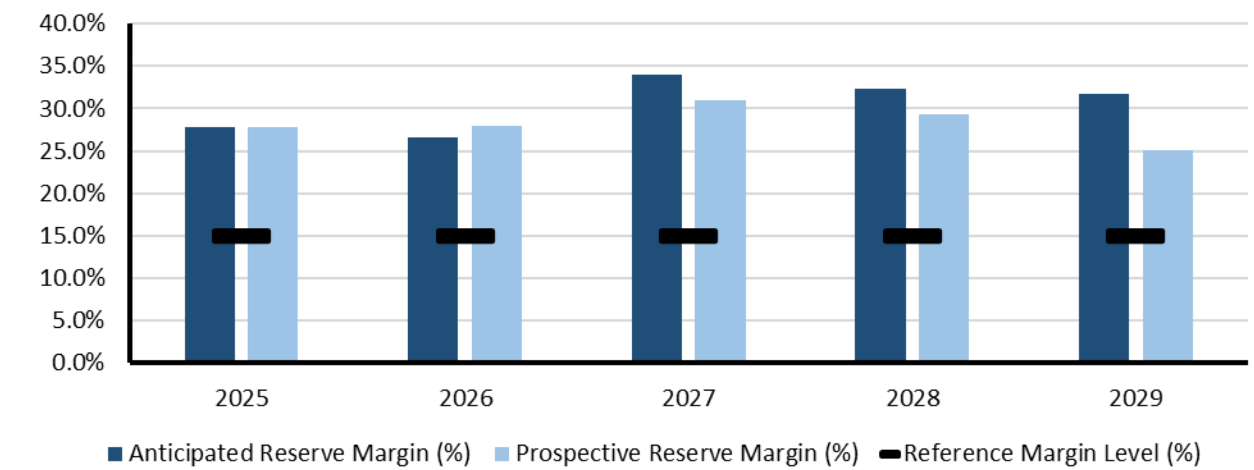
Transmission
Manitoba Hydro has identified aging components of its HVdc system as a potential reliability issue that is unique to the assessment area. The concern is that the oldest HVdc system components could be approaching end of life. Studies have been initiated to study/evaluate modernization options and alternatives. The studies and procurement of replacement equipment could take up to 10 years to implement based on the current HVdc market capability. There is currently spare capacity on the HVdc system, and the end-of-life failure of a single pole would not create reliability issues. The further end-of-life failure of a second pole, while believed to be a very low probability, has the potential to create reliability concerns under peak winter loads if mitigation measures are not implemented. Mitigation measures to minimize the likelihood of experiencing this quantity of long-term outages are being actively pursued.

MRO-SaskPower

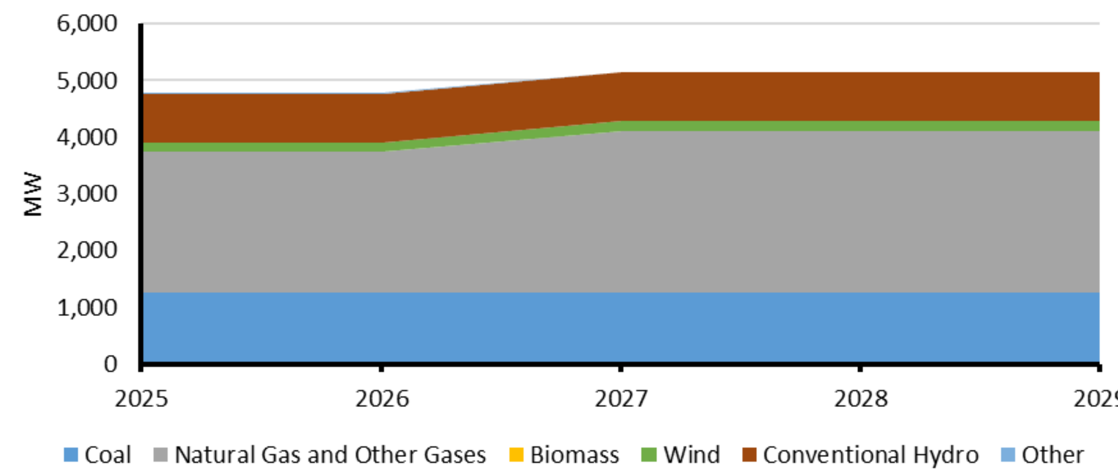
MRO-SaskPower is an assessment area in the Saskatchewan province of Canada. The province has a geographic area of 651,900 square kilometers (251,700 square miles), with a population of 1.2 million and approximately 550,000 customers. Peak demand is experienced in the winter. The Saskatchewan Power Corporation (SaskPower) is the Planning Coordinator and Reliability Coordinator 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.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	3,917	4,025	4,149	4,189	4,210	4,242	4,271	4,315	4,359	4,408
Demand Response	72	72	72	72	72	72	72	72	72	72
Net Internal Demand	3,845	3,953	4,077	4,117	4,138	4,170	4,199	4,243	4,287	4,336
Additions: Tier 1	507	507	883	883	883	883	883	883	883	883
Additions: Tier 2	0	55	175	175	928	928	928	928	928	928
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	290	290	315	315	315	315	315	315	315	315
Existing-Certain and Net Firm Transfers	4,407	4,497	4,582	4,566	4,566	4,489	4,490	4,490	4,552	4,566
Anticipated Reserve Margin (%)	27.8%	26.6%	34.0%	32.4%	31.7%	28.8%	28.0%	26.6%	26.8%	25.7%
Prospective Reserve Margin (%)	27.8%	28%	31.0%	29.3%	25.1%	22.3%	20.8%	19.5%	19.8%	18.7%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- SaskPower's ARM is above the RML throughout the assessment period. No resource adequacy issues are anticipated.
- Saskatchewan is adding approximately 1,064 MW of generation under Tier 1 within the next five years. This includes a 200 MW wind generation facility, two new 377 MW gas generation facilities, and the expansion of two existing natural gas facilities totaling 90 MW. The remaining capacity addition comes from geothermal and flare gas.

MRO-SaskPower Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025–2026	**2026–2027**	**2027–2028**	**2028–2029**	**2029–2030**
Coal	1,249	1,249	1,249	1,249	1,249
Coal*	1,249	1,249	1,088	1,088	188
Natural Gas	2,487	2,487	2,863	2,863	2,863
Biomass	3	3	3	3	3
Wind	164	164	162	162	162
Conventional Hydro	856	856	856	856	856
Other	22	17	17	1	1
Total MW	4,781	4,775	5,150	5,134	5,134
Total MW*	4,781	4,775	4,989	4,973	4,073
*** Capacity with additional generator retirements.** Generators that are being considered for retirement but have not been confirmed are removed from the resource projection where marked.					

MRO-SaskPower Assessment

Planning Reserve Margins

Saskatchewan uses a criterion of 15% as the reference reserve margin and has assessed its PRM for the upcoming 10 years considering the summer and winter peak hour loads, available existing and anticipated generation resources, firm capacity transfers, and available demand response for each year. Saskatchewan's ARM ranges from approximately 19% to 34% and does not fall below the Reference Margin Level.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

Saskatchewan performs energy assessments using probabilistic methods to inform the area's resource adequacy requirements. Saskatchewan evaluates non-peak hour risks and diminishing capacity credits associated with higher penetration levels of VERs as part of the long-term planning process.

Results of the 2024 ProbA are provided in the table below. Based on the deterministic calculations within this assessment, Saskatchewan's ARM is 27.8% and 34.0% for years 2026 and 2028, respectively. Since the 2022 ProbA, the reported forecast reserve margin for 2026 has remained consistent. The minor variation in the reserve margin is due to a slight change in the schedule of generator outages. EUE is also comparable to the 2022 ProbA, with some variation attributed to updated hydro energy dispatch, which is able to reduce the EUE in the months where it was highest in the prior ProbA.

Base Case Summary of Results			
	2026*	2026	2026
EUE (MWh)	117.0	**75.641**	**8.553**
EUE (PPM)	4.4	**2.807**	**0.300**
LOLH (hours per year)	0.9	**0.547**	**0.078**
Operable On-Peak Margin	24.6	**24.4%**	**30.5%**

* Provides the 2022 ProbA Results for Comparison

Saskatchewan does not anticipate resource adequacy issues during its off-peak hours. Currently, its resource mix consists of baseload and fast ramping generation resources, with little penetration of VERs. The main factor contributing to EUE is the amount of planned generator outages. When these short-term reliability issues are identified in advance, they can be mitigated by rescheduling the maintenance. The hourly EUE heat maps in the following figures show that risk of unserved energy is at its highest in the summer months. Risk can also be found in months before or after summer and be driven by unseasonable temperatures driving above-normal demand that coincides with generator maintenance periods. Winter risks of shortfall are associated with extreme cold weather and unexpected generator outages.

Hourly EUE Heat Map : 2026																								
EUE	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Jan-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Feb-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May-26	1.2	1.2	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.5	1.6	1.8	1.8	1.7	1.7	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.5	1.3
Jun-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Aug-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0
Sep-26	0.5	0.6	0.6	0.6	0.6	0.5	0.6	0.7	0.7	0.8	0.9	1.2	1.2	1.3	1.4	1.5	1.5	1.6	1.4	1.5	1.7	1.3	1.0	0.7
Oct-26	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.4	0.3	0.3
Nov-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Dec-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1

Hourly EUE Heat Map : 2028																								
EUE	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Jan-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb-28	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar-28	0.0	0.0	0.0	-	-	-	-	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Jul-28	0.0	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.3	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Aug-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Sep-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct-28	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1
Nov-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Dec-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0

Hourly EUE Heat Maps (in MWh)

Demand

Saskatchewan experiences its peak-season in the winter. Saskatchewan's system peak load forecast is based on econometric variables, weather normalization, and individual level forecasts for large industrial customers. The average annual summer and winter peak demand growth is expected to be approximately 1.35% throughout the assessment period.

Demand-Side Management

Saskatchewan's EE and energy conservation programs include incentive-based and education programs focusing on installed measures and products that provide verifiable, measurable, and permanent reductions in electrical energy, and demand reductions during peak hours.

Saskatchewan's DR consists of contracts with industrial customers for interruptible load based under conditions specified in demand response programs. The first of these programs provides a curtailable load, currently up to 72 MW, with a 12-minute event response time. Other programs are in place providing access to additional curtailable load requiring up to two hours notification time.

Distributed Energy Resources

The current BTM DER installed capacity in Saskatchewan is approximately 50 MW, which includes approximately 48 MW of solar PV and the remaining approximately 2 MW of distributed wind projects. An additional 25 MW of DER solar PV are expected to be added in the next five years. BTM DER installations are incorporated into the load forecast models, which are used in supply and transmission planning study models.

Small power producers contribute an additional 5 MW installed DER capacity (non-BTM) in Saskatchewan. There is currently an existing 8 MW and a potential for up to 20 MW of DERs being added in the next 2 years based on the currently approved Power Generation Partner program. These projects are included as generation additions, but currently their capacity is not considered in reliability planning.

Generation

Saskatchewan is adding approximately 1,064 MW into its resource mix of generation under the Tier 1 category within the next five years. The includes a 200 MW wind generation facility, expansion of two existing natural gas facilities totaling 90 MW, two new natural gas facilities totaling 754 MW, 15 MW of flare gas generation, and 5 MW of geothermal generation.

Under Tier 2, over 1,717 MW of new generation is projected in the assessment period. This includes 754 MW of natural gas, 600 MW of wind generation, 300 MW of utility-scale solar generation, and 63 MW of co-generation.

Generating resources being planned as Tier 2 and Tier 3 will replace generators planned for retirement prior to deactivation. Therefore, Saskatchewan is not expecting any long-term reliability impacts due to generation retirements.

Energy Storage

SaskPower currently has its first battery storage system, a 20 MW/20 MWh unit, under commissioning. There are plans to expand this site by an additional 60 MW/60MWh capacity. The prevalent use for the planned energy storage is to provide regulating reserve, peak capacity and energy reduction, net demand ramping control, reactive power/voltage control, primary frequency control, and blackstart.

Capacity Transfers

SaskPower has three interfaces with its neighboring areas. The interface with Manitoba is the largest of the three interfaces and is the only interface with long-term firm contracts. Capacity transfers from Manitoba would be limited in the event of a prior outage of tie lines between SaskPower and Manitoba Hydro, as well as nearby transmission facilities supporting the interface. This could only impact reliability if it is coincident with the extreme winter or summer peak demand and a prior outage of one or more larger generating units in Saskatchewan. Risk mitigation is in place through SaskPower's emergency operating procedure that will allow one or more measures such as short-term imports from other available interfaces (for example Alberta or SPP), initiating demand response and short-term load shedding.

Transmission

SaskPower's major transmission projects in the first five years of the assessment period are related to the interconnection expansion with SPP and the 650 MW of new transmission service. This includes two new international power lines between Saskatchewan and North Dakota. Within Saskatchewan, a total of approximately 180 kilometers of new 230 kV lines, a new 230 kV transmission station, expansion of several existing transmission stations, and installation of two phase-shifting transformer interfaces and two static var systems are being added.

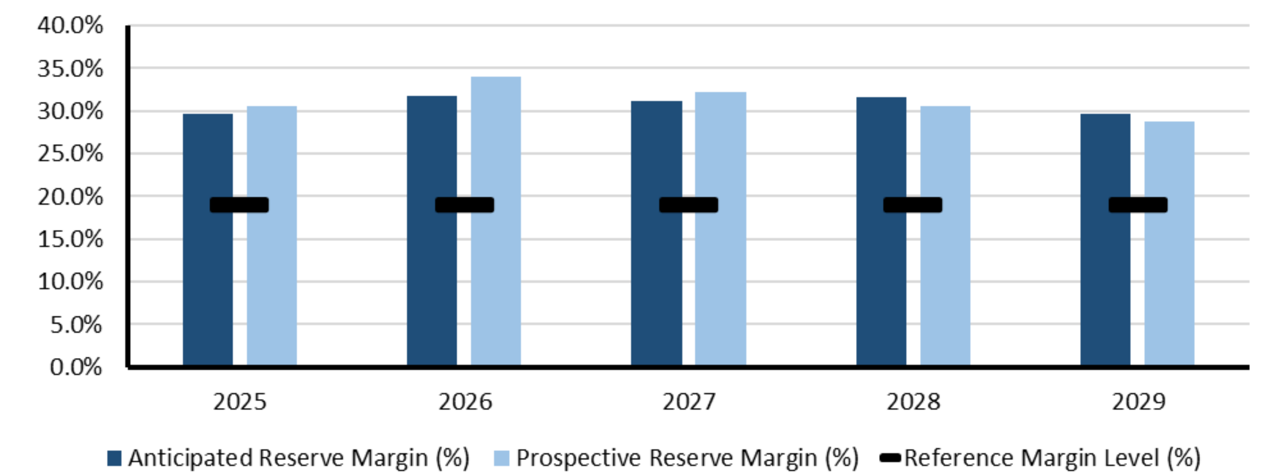
The remaining other transmission projects (approximately 460 circuit kilometers) are under the planning and conceptual phase in the 5-to-10-year planning horizon. These projects are driven by load growth, new generation additions, and reliability needs.

MRO-SPP

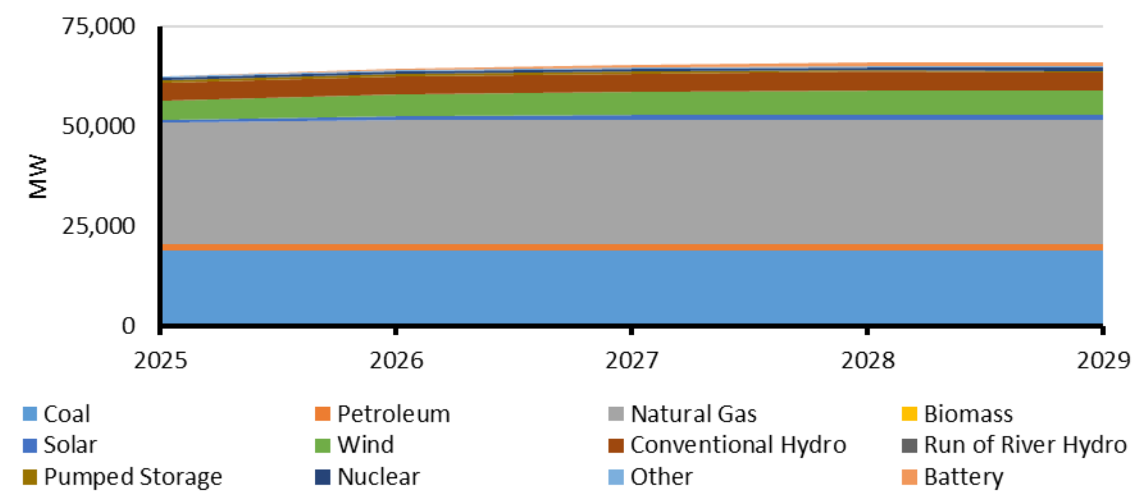
The Southwest Power Pool (SPP) Planning Coordinator footprint covers 546,000 square miles and encompasses all or parts of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. The SPP long-term assessment is reported based on the Planning Coordinator footprint, which touches parts of the Midwest Reliability Organization 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.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	55,669	57,171	59,031	59,764	60,596	61,963	62,490	63,287	63,764	64,172
Demand Response	1,463	1,771	2,057	2,124	2,172	2,222	2,259	2,465	2,467	2,472
Net Internal Demand	54,206	55,400	56,975	57,640	58,424	59,741	60,231	60,822	61,297	61,700
Additions: Tier 1	2,123	4,966	6,750	7,843	7,957	7,957	7,957	7,957	7,957	7,957
Additions: Tier 2	1,239	2,454	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756
Additions: Tier 3	6,823	16,770	22,655	28,948	28,948	28,948	28,948	28,948	28,948	28,948
Net Firm Capacity Transfers	-1,097	-1,077	-1,136	-1,131	-1,131	-1,131	-1,131	-1,133	-1,133	-1,133
Existing-Certain and Net Firm Transfers	68,157	68,039	67,981	67,984	67,799	67,749	67,253	67,175	67,055	67,094
Anticipated Reserve Margin (%)	29.7%	31.8%	31.2%	31.6%	29.7%	26.7%	24.9%	23.5%	22.4%	21.6%
Prospective Reserve Margin (%)	30.6%	34.1%	32.2%	30.6%	28.7%	25.2%	23.3%	22.0%	20.6%	19.6%
Reference Margin Level (%)	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- There are over 8 GW of coal and gas-fired generators that have indicated they plan to retire over the next 10 years in SPP. Without sufficient dispatchable generation, SPP can experience energy shortages when output from wind resources is low.

MRO-SPP Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	**2026**	**2027**	**2028**	**2029**
Coal	18,952	18,952	18,919	18,919	18,919
Coal*	17,934	16,647	16,614	14,062	14,062
Petroleum	1,629	1,629	1,631	1,631	1,631
Petroleum*	1,629	1,629	1,575	1,575	1,575
Natural Gas	30,471	31,098	31,098	31,098	31,098
Natural Gas*	29,896	30,220	29,924	29,812	29,812
Biomass	20	20	20	20	20
Solar	495	864	1,149	1,283	1,283
Wind	4,974	5,456	5,928	6,117	5,909
Conventional Hydro	4,526	4,541	4,573	4,605	4,628
Pumped Storage	472	472	472	472	472
Nuclear	769	769	769	769	769
Other	281	281	281	281	281
Battery	41	290	555	930	1,044
Total MW	62,630	64,370	65,392	66,124	66,053
Total MW*	61,037	61,188	61,858	59,925	59,855
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to give formal notice to SPP are removed from the resource projection where marked.					

MRO-SPP Assessment

Planning Reserve Margins

The Existing-Certain and Net Firm Transfers Reserve Margin for the SPP assessment area is projected to fall below the current coincident summer season RML of 19% in 2027. The current summer season reserve margin target for SPP is 15%, but that is based on the non-coincident peak demand of load-responsible entities (LRE) in the SPP assessment area. For purposes of NERC assessments, the 15% target is converted, along with forecasted demand values, to an SPP coincident peak representation based on the latest calculated diversity factor. This results in an RML of 19%. Based on resources submitted in the ARM calculation, including the impact of retirements, SPP is forecasted to be above the 19% RML for the 10-year horizon.

Like the generation unavailability scenario in NERC's *2024 Summer Reliability Assessment*, SPP shows the potential to utilize all the current projected capacity and there could be times of capacity shortfall based on performance impacts during high-load periods. While the potential to all available capacity has a lower probability, the assumptions and projections are based around historical unavailability during peak periods. Current LTRA projections are based on the latest resource adequacy data submittals, which are provided by the LREs and Generator Owners in SPP.

SPP performs a biennial LOLE study to establish a reserve margin target such that the LOLE for the applicable planning year (3- and 6-year study) does not exceed 1 day in 10 years, or 0.1 day per year. The target is determined using probabilistic methods by altering capacity through the application of generator forced outages and forecasted demand with load uncertainty to ensure that the LOLE does not exceed 0.1 day per year.

SPP's 2023 LOLE study results indicate that separate PRMs and capacity requirements are needed for the summer and winter seasons to recognize the seasonal balance of risk. Also, as colder temperature outages increase with the incorporation of additional wind and solar resources, the loss-of-load risk shifts to the winter season. Due to the shift in seasonal risk, it would be appropriate to consider a maximum LOLE threshold for the winter season or incorporation of an EUE reliability metric to complement the LOLE metric.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

As the resource mix continues to change from a standard base load conventional thermal and hydro resources to VERs and short-term energy storage resources (ESR), SPP is incorporating energy adequacy metrics (i.e., EUE) in the determination of PRMs, RMLs, additional reliability policies, and resource accreditation enhancements.

SPP will begin performing a yearly energy adequacy assessment and assessment of reliability attributes (inertia, primary frequency response, ramp, regulation, contingency reserves, voltage and reactive support capability, fuel assurance, flexibility, and blackstart capability). Results of the analysis will be presented annually to SPP stakeholders. The results will also be used to identify needs for new market products, changes to market functionality, or changes to resource adequacy policies and requirements.

The 2024 ProbA performed for the NERC LTRA used assumptions and methods that reflect SPP's Loss of LOLE studies. Results are shown in the following table.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.84	0.00	6.61
EUE (PPM)	0.00	0.00	0.02
LOLH (hours per year)	0.00	0.00	0.01
Operable On-Peak Margin	19.6%	19.5%	16.0%

*Provides the 2022 ProbA Results for Comparison

With the current SPP fleet, there was no loss of load for the 2026 study that included Tier 1 resource additions and 600 MW in generator retirements. The 2028 analysis included both Tier 1 and Tier 2 resource additions and 2,700 MW in generator retirements. The result was a small amount of EUE (6.61MWh) and LOLH (0.01hr/year). The loss of load/hour occurred mostly during the summer season (0.007hr/yr), while the winter season had 0.0004hr/yr. SPP is a summer-peaking region, and the results also supported that. The demand was highest in the afternoons between 13:00 and 19:00 during July and August.

Study improvements for 2024 from the previous NERC ProbAs include additional weather years, seasonal forced-outage modeling, and incremental cold weather outages.

SPP uses the Strategic Energy & Risk Valuation Model (SERVM) for the ProbA. It is a production-cost modeling tool that uses the Monte Carlo method to solve LOLE. Each weather year was simulated 300 times to simulate a multitude of random forced outage draws. Taking 300 draws for each weather year (43) and multiplying by 8,760 hours gets to a total of over 113 million simulated hours, from 1980 to 2022. Each iteration was performed on an 8,760-hour basis.

The study input model consisted of multiple modeling assumptions including multiple historical weather years (1980–2022); hourly load, solar, and wind profiles; load forecast uncertainty; random forced outages draws and variability; physical and economic resource parameters; resource retirements; future resource additions; zonal transmission limitations; and incremental conventional resource forced outages due to extreme cold temperature.

The generating resources modeled in the Probabilistic Assessment reflect the data supplied in the *2024 LTRA*. Existing and projected resources were included in the Probabilistic Assessment along with reported confirmed retirements. As mentioned previously, wind and solar resources, as well as historical weather years, were modeled at historical hourly values using 2012 to 2022 weather years. There were six study zones, and SPP modeled a projected 8,760 hourly demand profile for each area to provide load variability and volatility for chronological hours during simulation. Each local resource zone was modeled with an import and export limit based on a separate power flow transfer analysis. SPP used unit-specific outage rates within the analysis based on NERC Generation Availability Data System (GADS) data from 2015 to 2022. External assistance only included firm contracts from external entities with firm transmission service.

Demand

SPP peak load occurs during the summer season; the 2024 net internal demand forecast is projected to peak at 53,094 MW, which is projected to increase compared to the previous year's LTRA forecast for the 2022 summer season. The diversity factor used to convert the non-coincident peak demand forecast to an SPP coincident peak demand forecast was consistent with the ~3.5% applied in the *2023 LTRA*. SPP forecasts the coincident annual peak growth based on member submitted data over the 10-year assessment timeframe. One risk that SPP has noted is that the aggregated noncoincident demand forecast submitted by members in recent years, which is based on a 50/50 forecast and is weather normalized, is tracking at a lower demand level than what the BA has observed.

Demand-Side Management

SPP's energy efficiency (EE) and conservation programs are incorporated into the reporting entities' demand forecasts. There are no known impacts to the SPP assessment area's long-term reliability related to the forecasted increase in EE and DR across the assessment area. In addition, SPP is constructing a new policy to more appropriately categorize DR based on the flexibility of the program, which will ultimately be reflected in the accreditation process.

Distributed Energy Resources

The SPP Model Development, Economic Studies, and Supply Adequacy working groups are developing policies and procedures around DERs. SPP resource adequacy implemented policies for DERs that mandate certain testing, reporting, and document requirements for resources and programs not registered in the SPP Integrated Market. Accreditation methodology policies are being constructed and are planned to be approved in late 2024.

Generation

SPP currently has approximately 900 MW of installed solar generating facilities. In the ARM calculation, SPP is reporting nameplate capacity of approximately 11 GW of Tier 1, 2, and 3 wind resources, approximately 18 GW of Tier 1, 2, and 3 solar resources, approximately 9.8 GW of Tier 1, 2, and 3 battery resources and approximately 2.7 GW of Tier 1, 2, and 3 gas resources.

In 2024, SPP filed conventional based performance accreditation and effective load carrying capability (ELCC) methodology for wind and solar resources. The goal is for these policies to become effective in the 2026/2027 timeframe for both the summer and winter seasons.

There are concerns of drought conditions impacting the Missouri River and other water sources for generation resources that rely on once-through cooling processes. Low water can impact the generation's capacity output and reduce its ability to support congestion management and serve load. An additional concern could be the impact of river conditions on coal shipments, which could cause generators to run at a derated level to conserve supplies.

Energy Storage

Currently, SPP is studying approximately 17,000 MWs of energy storage and hybrid resource projects in the generator interconnection queue process. There are approximately 50 MWs of energy storage under contract by SPP members. These resources are being modeled as generation in the planning assumptions both near and long term.

Capacity Transfers

The SPP assessment area coordinates with neighboring areas to ensure that adequate transfer capabilities will be available for capacity transfers. On an annual basis during the model build season, SPP staff coordinate the modeling of transfers between Planning Coordinator footprints. The modeled transactions are fed into the models created for the SPP planning process.

SPP and ERCOT executed a Coordination Plan that superseded the prior coordination agreement. The Coordination Plan addresses operational issues for coordination of the dc ties between the Texas Interconnection and Eastern Interconnection, block load transfers (BLT), and switchable generation resources (SWGR). Under the terms of the Coordination Plan, SPP has priority to recall the capacity of any SWGRs that have been committed to satisfying the resource adequacy requirements contained in Attachment AA of the SPP Open Access Transmission Tariff. Annually, SPP and ERCOT update the

Coordination Plan based on the latest discussions and business decisions, and it was updated in June 2024.

Transmission

In the 2023 ITP Assessment, SPP approved 44 transmission projects, including 150 miles of new transmission. Additionally, the study calls for 93 miles of transmission to be rebuilt.

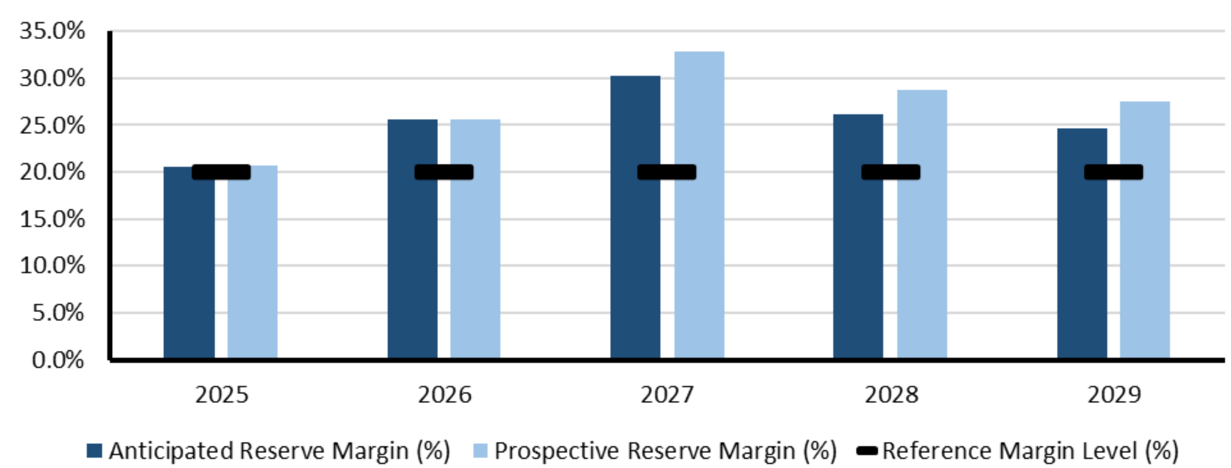
SPP is observing a number of transmission projects that are currently delayed. SPP is actively tracking these projects and discussing them throughout its stakeholder process. Many delays are driven by supply chain issues or increasing length of construction times. The delays of these transmission projects do not currently seem to be driving reliability issues.

NPCC-Maritimes

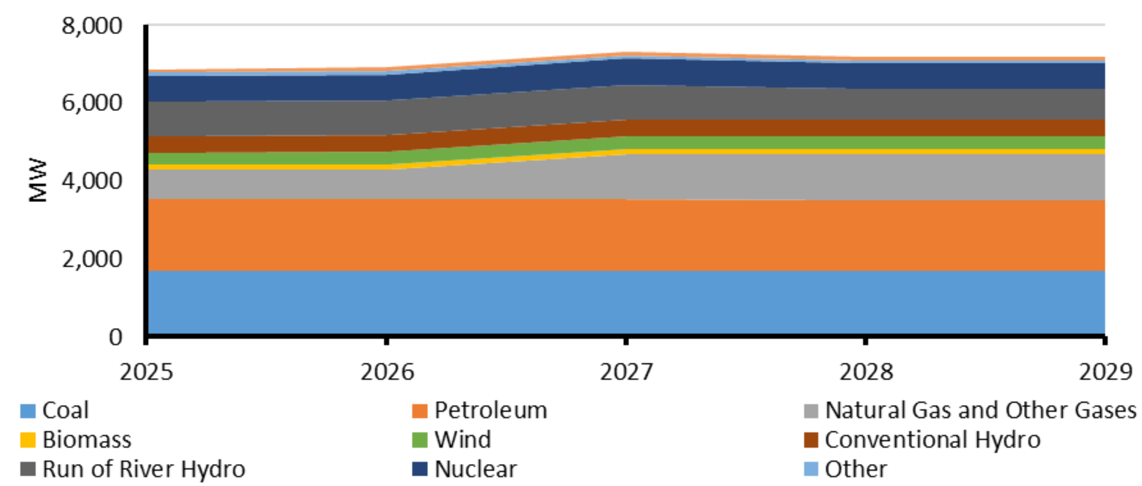
The Maritimes assessment area is a winter peaking NPCC sub-region with a single Reliability Coordinator and two Balancing Authority Areas (New Brunswick and Nova Scotia). It is comprised of the Canadian provinces of New Brunswick (NB), Nova Scotia (NS), and Prince Edward Island (PEI) and the northern portion of Maine (NM), which is radially connected to NB. The area covers 58,000 square miles with a total population of 2 million people.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	6,201	6,056	6,095	6,141	6,216	6,272	6,331	6,398	6,474	6,560
Demand Response	274	293	309	317	317	317	317	317	317	318
Net Internal Demand	5,927	5,763	5,786	5,825	5,899	5,954	6,014	6,081	6,157	6,242
Additions: Tier 1	108	171	579	579	579	579	579	579	579	579
Additions: Tier 2	6	4	447	600	1,398	1,398	1,398	1,398	1,398	1,398
Additions: Tier 3	0	13	80	127	197	255	267	279	291	291
Net Firm Capacity Transfers	289	322	215	145	145	145	145	145	145	145
Existing-Certain and Net Firm Transfers	7,038	7,063	6,959	6,771	6,771	6,771	6,679	6,665	6,665	6,752
Anticipated Reserve Margin (%)	20.6%	25.5%	30.3%	26.2%	24.6%	23.4%	20.7%	19.1%	17.7%	17.4%
Prospective Reserve Margin (%)	20.7%	25.6%	32.8%	28.8%	27.5%	26.3%	23.5%	21.9%	20.4%	20.1%
Reference Margin Level (%)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- Since the *2023 LTRA*, the overall resource outlook has improved with expected new natural-gas-fired generators coming into service in 2027. Winter peak demand forecasts for this assessment area have risen through 2030; however, ARMs are currently projected to remain above the RML of 20% until 2031 when the ARM dips to 19.7%.

NPCC-Maritimes Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025–2026	**2026–2027**	**2027–2028**	**2028–2029**	**2029–2030**
Coal	1,696	1,696	1,696	1,696	1,696
Coal*	1,696	1,696	1,396	1,248	467
Petroleum	1,831	1,831	1,825	1,819	1,819
Natural Gas	757	757	1,157	1,157	1,157
Biomass	148	148	148	148	148
Solar	5	5	5	5	5
Wind	293	321	329	329	329
Conventional Hydro	412	412	412	412	412
Run of River Hydro	902	902	902	791	791
Nuclear	663	663	671	671	671
Other	77	77	77	77	77
Battery	72	99	99	99	99
Total MW	6,856	6,911	7,321	7,204	7,204
Total MW*	6,856	6,911	7,021	6,756	5,975
*** Capacity with additional generator retirements.** Generators that are being considered for retirement but have not been confirmed are removed from the resource projection where marked.					

NPCC-Maritimes Assessment

Planning Reserve Margins

The NPCC-Maritimes assessment area is comprised of NB, NS, PEI, and NM. The RML for the assessment area is 20%; however, this reserve margin is not mandated. The ARM over the study period for the Maritimes area ranges between 17% and 30% during the winter period and between 88% and 93% during the summer period.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

During off-peak hours, the Maritimes area has surplus generation and no constraints with converting the capacity to energy.

Probabilistic Assessments

Two Balancing Authorities within the Maritimes area are members of NPCC and jointly prepare annual probabilistic assessments that cover three- to five-year forward-looking periods and evaluate the adequacy of the Maritimes' transmission system and resources. In addition, the Maritimes area also supports NERC's annual seasonal ProbAs, which provides an evaluation of generation resource and transmission system adequacy that will be necessary to meet projected seasonal peak demands and operating reserves. Results of the 2024 ProbA are in the table below.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	3.87	**5.02**	**0.28**
EUE (PPM)	0.14	**0.17**	**0.01**
LOLH (hours per year)	0.07	**0.09**	**0.02**
Operable On-Peak Margin	22.9%	**17.9%**	**29.0%**

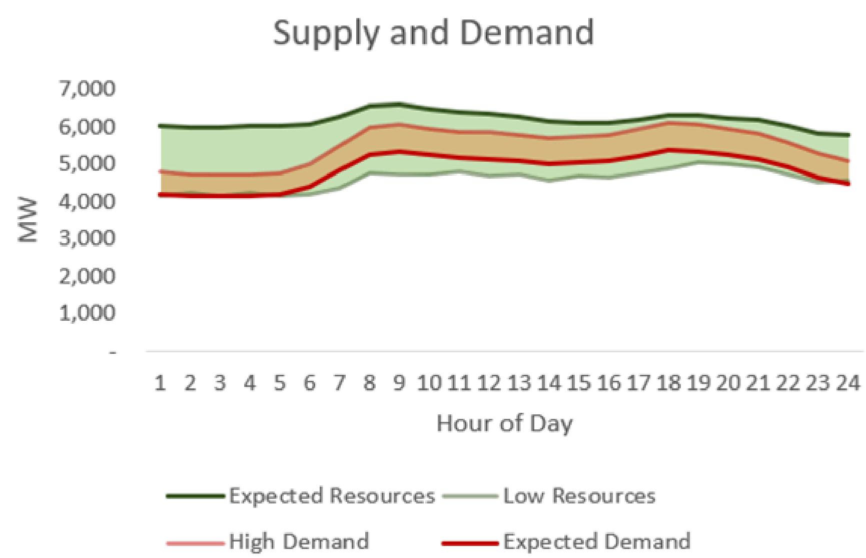
* Provides the 2022 ProbA Results for Comparison

The following table of LOLH for 2028 provides a depiction of risks across the calendar year and highlights the concentration of risk in winter. Most load-loss risk occurs in winter months of December–February, with some additional risk occurring in shoulder months. 2026 has a similar risk distribution.

Month of Year (2028)

Day of Month	1	2	3	4	5	6	7	8	9	10	11	12
1	0.08	0.00	0.00	-	-	-	-	-	-	-	-	-
2	0.04	-	0.00	-	-	-	-	-	-	-	-	-
3	0.00	0.00	0.00	-	-	-	-	-	-	-	0.00	-
4	-	-	-	-	-	-	-	-	-	-	-	-
5	0.03	-	-	-	-	-	-	-	-	-	-	-
6	0.00	-	-	-	-	-	-	-	-	-	-	-
7	0.00	-	-	-	-	-	-	-	-	-	-	0.00
8	-	0.00	-	-	-	-	-	-	-	-	-	-
9	-	0.00	-	-	-	-	-	-	-	-	-	0.00
10	-	-	-	-	-	-	-	-	-	-	-	0.00
11	-	-	-	-	-	-	-	-	-	-	-	0.00
12	-	-	-	-	-	-	-	-	-	-	-	0.00
13	-	-	-	-	-	-	-	-	-	-	-	-
14	-	0.00	-	-	-	-	-	-	-	-	-	-
15	-	0.00	-	-	-	-	-	-	-	-	-	-
16	-	0.00	-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-	-	-	-
18	0.00	-	-	-	-	-	-	-	-	-	0.01	0.00
19	0.02	-	-	-	-	-	-	-	-	-	-	-
20	0.00	-	-	-	-	-	-	-	-	-	-	-
21	0.00	-	-	-	-	-	-	-	-	-	-	-
22	0.05	-	-	-	-	-	-	-	-	-	0.00	-
23	-	0.00	-	-	-	-	-	-	-	-	-	-
24	0.00	-	0.00	-	-	-	-	-	-	-	0.00	-
25	-	-	-	-	-	-	-	-	-	-	-	-
26	0.00	-	-	-	-	-	-	-	-	-	-	-
27	0.01	-	-	-	-	-	-	-	-	-	-	-
28	0.00	-	-	-	-	-	-	-	-	-	-	0.00
29	-	-	-	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-	-	-	-
31	-	-	-	-	-	-	-	-	-	-	-	-

Hourly demand and resource projections for a typical risk-day in 2026 are shown in the figure below. Expected resource contributions are observed to cover expected demand on the risk day. However, the greatest risk for this assessment area is in the form of lower-than-expected resource contributions. If this were to occur, expected demand for all hours would not be met. This risk would be exaggerated by the addition of a higher-than-expected demand event. Reliance on external assistance may be necessary in these events. A risk day in 2028 has a similar profile.



Hourly Probabilistic Assessment Results | Representative Summer Risk Day 2026

Demand

There is no regulatory requirement for a single authority to produce a forecast for the whole Maritimes area. The peak area demand occurs in winter and is highly reliant on the forecasts of the two largest sub-areas of NB and NS, which are historically highly coincidental. Demand for the Maritimes area is determined to be the non-coincident sum of the peak loads forecasted by the individual sub-areas. The aggregated growth of both demand and energy for the combined sub-areas see an upward trend over summer and winter seasonal periods of the LTRA assessment period. The area peak loads are expected to increase by 4.2% during summer and by 6.4% during winter seasons over the 10-year assessment period. This translates to compound average growth rates of 0.4% in summer and 0.6% in winter. The Maritimes Area annual energy forecasts are expected to increase by a total of 5.9% during the 10-year assessment period for an average growth of 0.6% per year.

Demand-Side Management

Plans to develop up to 100 MW by 2030/2031 of controllable direct load control programs using smart grid technology to selectively interrupt space and/or water heater systems in residential and commercial facilities are underway but no specific annual demand and energy saving targets currently exist.**Error! Bookmark not defined.** During the 10-year LTRA assessment period in the Maritimes area, a nnual amounts for summer peak demand reductions associated with EE and conservation programs rise from 20 MW to 169 MW while the annual amounts for winter peak demand reductions rise from 168 MW to 629 MW.[32]

Distributed Energy Resources

The DER installed capacity in NS is approximately 245 MW at present, including distribution-connected wind projects under purchase power agreements, small community wind projects under a feed-in tariff, and BTM solar.

LTRA wind capacity for NB, NS, and PEI is derated between 18% and 33% using probabilistic methods to calculate equivalent perfect capacities for each sub-area excluding NM, which uses seasonal capacity factors. BTM solar is assumed to have an ELCC of 0% during winter period. The Maritimes area has shown embedded BTM solar PV projections of 149 MW in 2024 rising to 881 MW by 2034. These projects include distributed small-scale solar (mainly rooftop) that fall under the net metering program and serve as a reduction in load mainly in the residential class. The forecasted increase in solar installations in the coming years is a result of initiatives including municipal and provincial incentive programs. There is no capacity contribution from solar generation due to the timing of the area's system peak, which occurs either before sunrise or after sunset in the winter period.

Generation

NB assumes extending 28 MW of diesel-fired generator starting in 2025 and recently upgraded 290 MW of natural-gas-fueled resource completed in 2023. There are 25.2 MW of wind power purchase agreements (PPA) also slated to start in 2025. An anticipated replacement PPA contract, a long-term firm energy contract from a neighboring jurisdiction, and opportunities to buy in day-ahead and real-time markets will be utilized to maintain the overall resource adequacy.

NB Tier 1 resources include 71 MW of wind and 400 MW of combustion turbines. Tier 2 resources include 200 MW of wind resources and Tier 3 includes 400 MW of wind.

In NS, Tier 1 resources include wind projects with a total nameplate capacity of 473 MW phased in from 2024–2027 with an ELCC of 10%, 150 MW battery storage, 4 MW tidal power, 2 MW biomass unit, and a small 0.14 MW solar farm. Tier 2 resources in NS include 250 MW of battery storage (2026–

[32] Current and projected energy efficiency effects based on actual and forecasted customer adoption of various DSM programs with differing levels of impact are incorporated directly into the load forecast for each of the areas but are not separately itemized in the forecasts. Since controllable space and water heaters will be interrupted via smart meters, the savings attributed to these programs will be directly and immediately measurable.

2032), 600 MW of combustion turbines (2027–2033), a 150 MW conversion of a coal-fired unit to natural gas (2028), 450 MW in conversion of coal-fire units to oil (2030), 220 MW of solar generation, and 416 MW of wind generation. Tier 3 resources in NS include natural gas additions (combustion turbines) of 50 MW in 2029 and new wind generation with a nameplate capacity of 850 MW phased in from 2026–2033. These Tier 3 resource additions are anticipated to facilitate the retirement of additional coal-fired generation by 2030. However, these retirements have not been included in the assessment due to their uncertainty.

Small amounts of new solar generation capacity (Tier 1) of up to 21 MW were being installed in PEI in 2024, along with 10 MW of new hybrid energy storage (Tier 1). PEI also has 30 MW of Tier 2 wind, 111 MW Tier 3 wind, and 140 MW of Tier 3 petroleum-based generation and 10 MW of Tier 3 batteries.

NB derates its wind capacity using a calculated year-round equivalent capacity of 22%. NS and PEI derate wind capacity to 18% and 17%, respectively, of nameplate based on year-round calculated equivalent load carrying capabilities for their respective individual sub areas. The peak capacity contribution of grid-based solar is estimated at zero since the Maritimes area peak occurs in the winter either before sunrise or after sunset.

Energy Storage

NS Power includes a 150 MW (4-hour duration) nameplate standalone battery resource as a Tier 1 resource and a 250 MW (4-hour duration) nameplate capacity standalone battery resource added as a Tier 2 resource phased in from 2026 through 2032. This grid-scale project will support the integration of new renewable generation, provide energy arbitrage and resiliency services, and provide firm capacity and fuel savings.

PEI includes a 10 MW nameplate capacity hybrid energy storage as a Tier 1 resource starting summer of 2024 and another 10 MW nameplate capacity energy storage system as a Tier 3 resource. This project will provide a storage option for the output from the 10 MW solar facility that is planned to come online during the same time frame. This project will provide fuel savings and may assist in providing additional reliability if a generation outage occurs.

NB Power has not included any energy storage resources in the *2024 LTRA* submission; however, the value of energy storage options is expected to increase as the technology improves and as NB's smart grid network develops. NB Power issued a request for expressions of interest for new renewable generation sources including 200 MW of wind, 15 MW of solar, 5 MW of tidal, and 50 MW of 4-hour duration battery storage in February 2023. Under this program, NB Power expects uptake in new energy storage projects in the coming years. Internal pilot projects and studies are underway to understand the economics, application, and performance of battery storage resources. Ongoing internal analyses are conducted by NB Power to determine the cost and benefit associated with battery storage options and dispatching these resources to reduce/shift peaks and/or balance intermittent resources, such as wind, to provide additional flexibility to the system.

Capacity Transfers

ProbA studies show that the Maritimes area is not reliant on inter-area capacity transfers to meet NPCC resource adequacy criteria.

Transmission

NS has multiple new transmission line projects compared to the *2023 LTRA*; most being shorter runs to enable the connection of renewable resources, with one major project of 165 miles designed to improve the reliability of the existing tie between NS and NB.

Reliability Issues

The Maritimes area has a diversified mix of capacity resources fueled by oil, coal, hydro, nuclear, natural gas, wind (derated), dual fuel oil/gas, tie benefits, and biomass with no single one type feeding more than about 27% of the total capacity in the area. The Maritimes area does not anticipate fuel disruptions that pose significant challenges for resources during this assessment period.

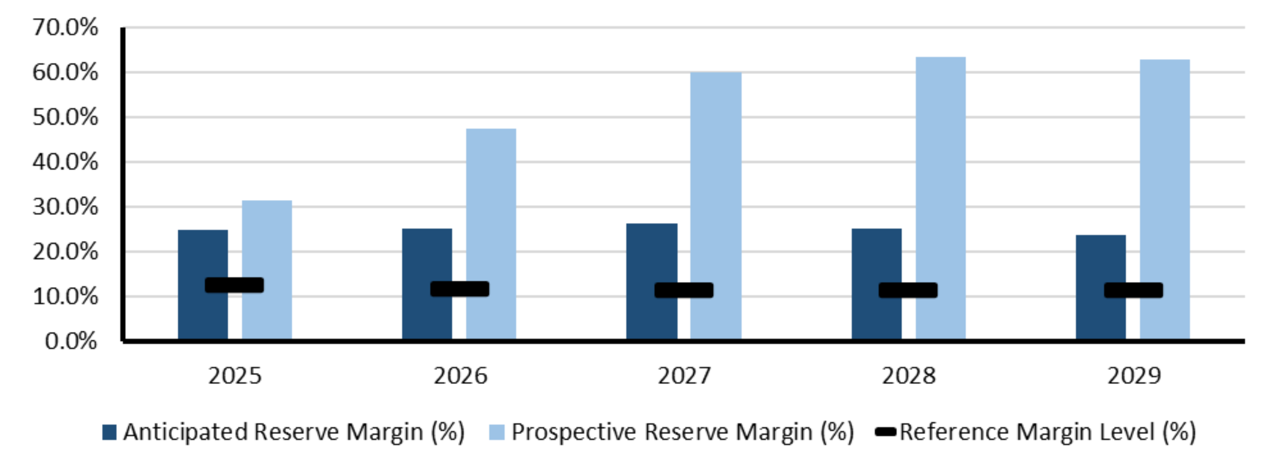
NPCC-New England

NPCC-New England is an assessment area consisting of the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont served by ISO New England Inc. (ISO-NE). ISO-NE is a regional transmission organization 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. Note: Northern Maine is not directly connected to the transmission system administered by ISO-NE.

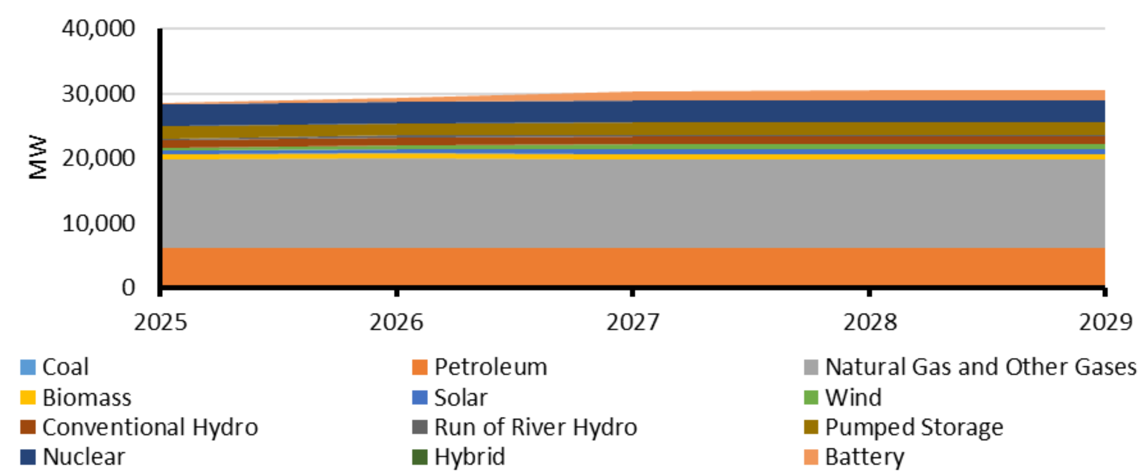
The New England BPS serves approximately 15.1 million customers over 68,000 square miles.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	24,579	24,702	24,845	25,076	25,364	25,706	26,100	26,547	27,052	27,567
Demand Response	566	588	544	544	544	544	544	544	544	544
Net Internal Demand	24,013	24,114	24,301	24,532	24,820	25,162	25,556	26,003	26,508	27,023
Additions: Tier 1	660	1,492	2,374	2,748	2,748	2,748	2,748	3,168	3,168	3,168
Additions: Tier 2	337	3,089	5,911	7,084	7,425	7,766	7,766	7,766	7,766	7,766
Additions: Tier 3	1,404	1,765	5,106	7,906	9,221	9,355	9,721	10,432	10,432	10,432
Net Firm Capacity Transfers	1,248	567	465	84	84	84	84	84	0	0
Existing-Certain and Net Firm Transfers	29,354	28,658	28,327	27,946	27,946	27,946	27,946	27,946	27,862	27,862
Anticipated Reserve Margin (%)	25.0%	25.0%	26.3%	25.1%	23.7%	22.0%	20.1%	19.7%	17.1%	14.8%
Prospective Reserve Margin (%)	31.4%	47.3%	60.1%	63.3%	62.8%	62.0%	59.5%	58.3%	55.0%	52.0%
Reference Margin Level (%)	12.7%	11.8%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- New England is forecast to have sufficient ARMs to meet consumer demand for electric energy for the first five years (2025–2029) of the assessment period and not require any Tier 2 resources.
- ISO-NE is addressing the issues brought on by grid transformation through several planning, operational, and market measures. A significant project is the redesign of the capacity market from a forward, annual auction to a prompt, seasonal auction with resource accreditation. The Capacity Auction Reforms (CAR) project began in Q2 2024 and is expected to be in place for the 19th Capacity Commitment Period (CCP 19) beginning on June 1, 2028. Additionally, New England has made tariff modifications to its Longer-Term Transmission Planning process to facilitate the New England states' achievement of their policy-based goals by enabling the development of transmission infrastructure. ISO-NE is also working with regional stakeholders to develop a regional energy shortfall threshold (REST) that defines the region's tolerance for energy shortfalls during low-probability extreme weather conditions.

NPCC-New England Projected Generating Capacity by Energy Source in Megawatts (MW)[33]

	2025	2026	2027	2028	2029
Coal	541	541	541	541	541
Coal*	445	445	445	7	7
Petroleum	5,703	5,703	5,687	5,687	5,687
Natural Gas	13,651	13,724	13,708	13,708	13,708
Biomass	780	780	780	780	780
Solar	533	663	663	663	663
Wind	391	594	819	819	819
Conventional Hydro	1,209	1,209	1,209	1,209	1,209
Run of River Hydro	289	289	289	289	289
Pumped Storage	1,860	1,860	1,860	1,860	1,860
Nuclear	3,331	3,331	3,331	3,331	3,331
Hybrid	34	35	35	35	35
Other	74	74	74	74	74
Battery	159	584	1,242	1,616	1,616
Total MW	28,553	29,385	30,237	30,611	30,611
Total MW*	28,458	29,290	30,141	30,077	30,077

*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to give formal notice to ISO-NE are removed from the resource projection where marked.

[33] MW totals reflect Existing and Tier 1 generation. Generator retirements in this timeframe would be captured if a resource submits a retirement request through the ISO-NE capacity market.

NPCC-New England Assessment

Planning Reserve Margins

ISO-NE's installed capacity requirement (ICR) is based on the capacity needed to meet the ISO-NE and NPCC resource adequacy reliability criterion of an LOLE of 0.1 day/year. The ICR varies from year to year depending on projected system conditions. The ICR is calculated on an annual basis, in advance of the capacity auctions for each Capacity Commitment Period. The latest ICR calculations result in an annual RML of 12.70% in 2025, 11.82% in 2026, and 11.33% in 2027, expressed in terms of the annual 50/50 peak demand forecast published in the *2024 Capacity, Energy, Loads, and Transmission (CELT) Report*. For the years 2028 through 2034, which are beyond the current forward capacity market timeframe, ISO-NE continued to use the last available RML value of 11.33%. The ISO-NE RML is relatively low compared to other regions due to the impact of reflecting external assistance from neighboring control areas and the continued increase in BTM solar facilities.

Non-Peak Hour Risk, Energy Assurance, and Probabilistic-Based Assessments

ISO-NE routinely prepares 21-day energy forecasts. These forecasts incorporate weather, transmission topology, resource capability and availability, fuel inventories and constraints, and projected imports/exports. If the forecasted regional supply/demand balance is negative, projected energy deficiencies can trigger energy alerts or energy emergencies that are then disseminated to market participants and federal and state regulators. This early notification of potential energy shortfalls is expected to inform market participants such that actions can be taken to increase the expected availability of generating resources as needed.

ISO-NE recently completed work with the Electric Power Research Institute (EPRI) to develop the Probabilistic Energy Adequacy Tool (PEAT) framework. This tool is a framework that has three major steps (weather modeling, risk screening/scenario generation, and 21-day energy assessment), which were subsequently applied to assess the summers and winters of 2027 and 2032.

Probabilistic Assessments

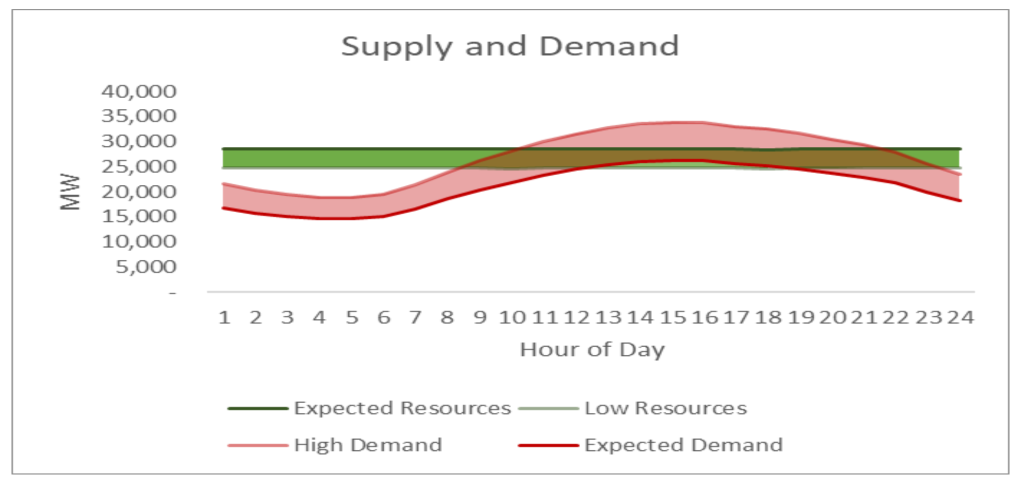
ISO-NE conducts probabilistic resource adequacy assessments annually in conjunction with NPCC to identify regional capacity resource needs and to comply with NPCC/NERC reliability requirements. In the transmission assessment domain, revisions to ISO-NE planning processes reflect the changing resource characteristics, probabilistic study assumptions, and changes to national and regional criteria. Coordinated planning activities with neighboring systems will continue and help support the New England states' policy objectives of providing access to a greater diversity of clean resources to meet environmental compliance obligations. Results from the 2024 ProbA, shown in the table below, reveal a slight increase in load-loss and unserved energy risk from the 2022 analysis, but values remain small. ISO-NE is considered to have sufficient resources for the planning horizon to meet NPCC resource adequacy criteria.

Base Case Summary 2024 ProbA of Results			
	2026*	2026	2028
EUE (MWh)	0.551	**10.69**	**7.40**
EUE (PPM)	0.004	**0.09**	**0.06**
LOLH (hours per year)	0.002	**0.07**	**0.03**
Operable On-Peak Margin	27.8%	**12.4%**	**13.7%**

* Provides the 2022 ProbA Results for Comparison

NPCC's ProbA results indicate that the risk of unserved energy in New England is concentrated in summer months (June–August).

Hourly demand and resource projections for a typical summer risk day in 2026 are shown in the figure below. Although expected resource contributions meet expected demand, there is risk that above-normal peak demand could exceed resources. Demand could be 25–30% higher than expected, which could cause strain on the system from the hours beginning 10:00 a.m. through 10:00 p.m. Also, below-normal resource performance from unexpected generator outages or low solar output could also cause supply shortfalls. If resource contributions are less than expected, strain on the system could be seen from the hour beginning 12:00 p.m. through 7:00 p.m. on a typical peak day. Reliance on external assistance may be necessary in these extreme conditions. A risk day in 2028 has a similar profile.



Hourly Probabilistic Assessment Results | Representative Summer Risk Day 2026

Fuel availability during extreme winter conditions is a persistent reliability concern in New England that is not modeled in detail in the ProbA. Potential natural gas transportation constraints can affect supply to generators during extreme cold temperatures, when natural gas demand for space heating is also peaking. Most natural-gas-fired generators in the area do not have firm natural gas transportation service and can be subject to supply curtailment during peak conditions. Many natural-gas-fired generators in New England can also operate with stored oil, providing for assured electricity supply in extreme winter conditions while oil stores are procured and maintained. Scenarios of extended and extreme cold weather that affect the availability of natural gas and oil replenishments present a reliability risk and were not modeled in the 2024 ProbA.

Demand

Over the 10-year LTRA planning horizon, the forecast net internal summer peak demand increases by 2,988 MW from 24,579 MW in 2025 to 27,567 MW in 2034 (roughly 2% decrease from the 2023 forecast in the later years). The corresponding net internal winter peak demand increases by 7,342 MW from 20,639 MW in 2025–2026 to 27,981 MW in 2034–2035 (roughly a 2.5% decrease from the 2023 forecast). Net energy for load is forecast to grow by 24,701 GWh from 119,285 GWh in 2025 to 143,986 GWh in 2034 (roughly 10% decrease from the 2023 forecast). The changes from the 2023 forecast were in part due to continued enhancements of the heating and transportation electrification forecasts.

The higher winter peak growth rate due to anticipated electrification results in significant convergence with summer peak projections by the end of the 10-year period, such that New England's transition to a winter-peaking system is currently anticipated by the mid-2030s. It is also expected that the timing of the peaks will likely occur in the morning by this time, with heating electrification in particular inducing a greater tendency for morning peaks due to electrified residential and commercial heating.

Demand-Side Management

For the summer of 2025, ISO-NE forecasts 566 MW of controllable and dispatchable demand-side management (DSM) resources, and that amount is projected to decrease by 22 MW to 544 MW by 2034. For the summer of 2025, ISO-NE forecasts 1,873 MW of passive DSM resources (EE and conservation). Demand-side resources are projected to peak in 2030 at 2,117 MW and then begin to decrease to 1,978 MW by 2034. This decrease in the later years is due to expiring EE measures outpacing new passive DSM additions.

Distributed Energy Resources

For summer months, the BTM PV forecast is incorporated as estimated reductions to the ISO-NE gross demand forecast. In 2025, New England forecasts 1,141 MW of peak load reduction (4,533 MW nameplate) of BTM PV. BTM PV is forecast to grow to 1,299 MW of peak load reduction (8,217 MW nameplate) by 2034. The BTM PV peak load reduction values are calculated as a percentage of ac nameplate. The percentages include the effect of diminishing PV production at the time of the system peak as increasing PV penetrations shift the timing of peaks later in the day. The BTM peak load reduction decreases from 25.2% of nameplate in 2025 to 15.8% in 2034.

ISO-NE recently adopted a new planning procedure (PP12) to formalize and standardize data collection for DERs. Under this procedure, distribution providers would be responsible for providing installation-level data on DERs connected to their system. Additionally, transmission providers would be responsible for providing basic data to translate feeder IDs into substation names and other useful identifying information. Among the other benefits that this procedure will lead to is "*proper accounting for the location, size, and type of DER which will lead to more accurate study outcomes.*"

Generation

The largest change that will impact New England's generation fleet is ISO-NE's CARs.

Specifically, to better ensure power system reliability and cost efficiency as New England's resource mix evolves, ISO-NE is proposing a CAR that would transition the capacity market from a forward/annual market to a prompt/seasonal market with accreditation reforms. This initiative has three primary components that would be in place for the Capacity Commitment Period (CCP) scheduled to start on June 1, 2028.

- Prompt auction: Instead of taking place three years in advance, the capacity auction would take place shortly before the CCP, reflecting more accurate information about projected electricity supply and demand.
- Seasonal CCP: The CCP changes from annual to sub-annual (seasonal) commitment periods to better address the distinct reliability challenges of winter and summer, as well as variations in resource performance from season to season.
- Accreditation reforms: Work began in 2022 via the former "Resource Capacity Accreditation in the Forward Capacity Market" project to identify and implement methodologies that will more accurately reflect resource contributions to resource adequacy in the capacity market. It is critical to the reliable and efficient clean-energy transition that the accreditation methodologies are updated to reflect resources' capabilities and how those capabilities contribute to resource adequacy. This work continues through CAR in the context of the proposed market constructs.

Energy Storage

New England currently has a total of 1,899 MW of energy storage capacity. This number includes about 39 MW of battery storage (BESS) and hybrid solar/battery storage. The largest energy storage resource(s) in New England are three pumped-storage hydro-electric facilities that can supply a combined 1,860 MW of quick-start 10-minute operating reserve capability, and with full reservoirs, and can deliver over 11,800 MWh of energy to the BPS.

Over the next five years (2025–2029), the nameplate capacity of energy storage devices (BESS, integrated-hybrid, and co-located-hybrid) are projected to increase significantly (Tier #1 [1,607 MW], Tier #2 [5,047 MW], and Tier #3 [4,955 MW]). No new pumped-storage facilities are planned for the region. Over the next 10 years, those total Tier 1–3 capacities do not increase from the five-year projection. All the above capacity totals reflect summer seasonal claimed capability ratings.

Capacity Transfers

New England is interconnected with the three BAs of Québec, the Maritimes, and New York. ISO-NE considers the tie benefits associated with these BAs within its capacity market methodology to reduce the installed capacity requirement to meet the regional resource adequacy criterion. Assumed assistance from tie benefits ranges from 1,830 MW in 2025 to 2,115 MW in 2027. Aside from such assistance, ISO-NE's firm capacity imports are projected to range from a maximum of 1,248 MW in the summer of 2025 down to 465 MW in the summer of 2027. There is one long-term firm import contract of 84 MW that extends through the summers of 2028 through 2032. There are currently no firm imports projected for the summers of 2033 and 2034. In addition, there are no firm exports identified over the 10-year assessment.

Transmission

Transmission expansion in New England has improved the overall level of reliability and resiliency, reduced air emissions, and lowered wholesale market costs by nearly eliminating congestion. Generator retirements, off-peak system needs, the growth of DERs and VERs using IBRs, and changes to mandatory planning criteria promulgated by NERC, NPCC, and regional stakeholders have driven the need for longer-term transmission assessments.

The future reliable and economic performance of the BPS is expected to be maintained as a result of approximately $1.5 billion of planned transmission upgrades over the next 10 years. Generator retirements, the integration of many DERs and VERs, the use of IBR technologies, and issues rising from minimum load assessments and high-voltage conditions are changing the needs for reliability-based transmission upgrades. Interregional import capability will also increase with the completion of the 1,200 MW HVdc New England Clean Energy Connect (NECEC) tie line between Québec and Maine, scheduled to be in service by the beginning of 2026.

In addition, transmission improvements will also be needed to support state policies to access remotely located sources of clean energy and serve increased load as transportation and heating are electrified. Transmission assessments and resultant plans are being developed throughout the region to meet these future system needs.

Reliability Issues

New England's BPS is transitioning to a system with unprecedented demand growth, due to electrification of heating and transportation, and a growing number of renewables, clean energy resources, VERs, and DERs. ISO-NE is engaged in the implementation of revised interconnection standards for VERs and DERs that will ensure overall BPS reliability and facilitate the economic development of IBRs.

ISO-NE has observed some delays in projected in service dates for system upgrades due to supply chain issues. In these cases, ISO-NE develops operating plans to work around any issues caused by these delays. Additionally, the New England Transmission Owners have indicated that supply chain issues are causing a notable increase in project costs.

New England has already experienced constraints on electric energy production due to constraints on fuel infrastructure that have an impact on the power sector during winter. In response, ISO-NE has been a key player at the national level in promoting BPS reliability through sharing of lessons learned, best practices, and, more recently, through the performance of more detailed and in-depth BPS energy assessments. Additionally, to address winter energy security challenges, ISO-NE and regional stakeholders developed and put in place a two-year program to compensate certain resources that provide energy security during the winters of 2023–2024 and 2024–2025 (from December to February). ISO-NE's Inventoried Energy Program (IEP) is a voluntary program designed to provide incremental, winter-period compensation for participants that maintain inventoried energy for their assets during extreme cold periods when energy security is most stressed.

The just-in-time delivery of a generator's fuel supply, whether natural gas, wind, or solar, is creating the need for the electric sector to quickly develop ways to retain access to flexible, stored energy—either through long-term energy storage solutions that can capture and store renewable power or through the use of dispatchable resources.

ISO-NE is actively working on numerous major projects to prepare for the clean energy transition and ensure continued reliability. The following is a short list of major projects in which ISO-NE has engaged:

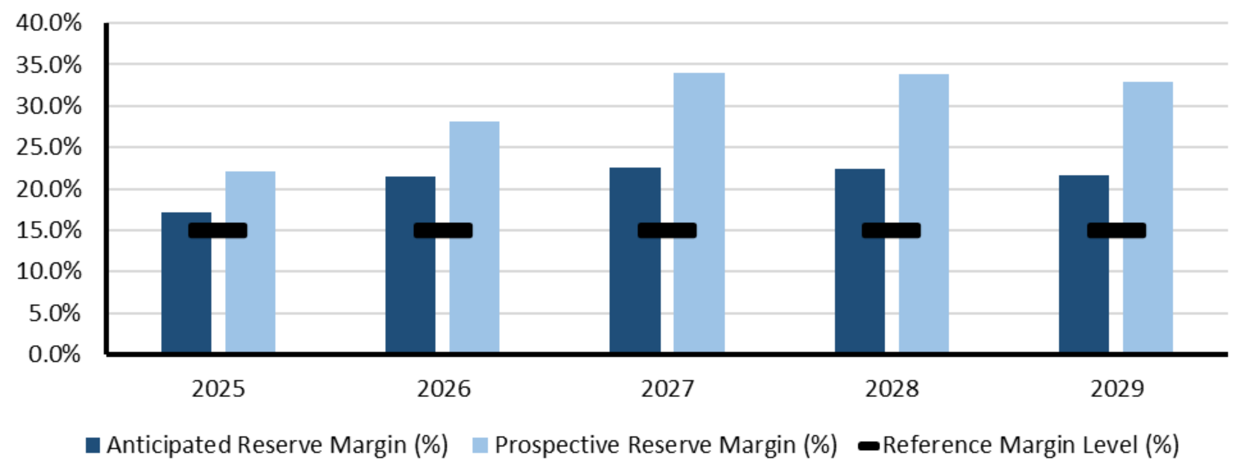
- **CAR Project**
- **Operational Impacts of Extreme Weather Events**
- **Regional Energy Shortfall Threshold**
- **Day-Ahead Ancillary Services Initiative**
- **Economic Planning for the Clean Energy Transition (EPCET)**
- **Extended-Term Transmission Planning Tariff Changes**
- **Longer-Term Transmission Studies**
- **Storage As Transmission Only Asset (SATOA)**
- **FERC Order No. 1920 Project**
- **FERC Order No. 2023 & 2023-A Project**
- **FERC Order No. 2222 Project**
- **FERC Order No. 881 Project**

NPCC-New York

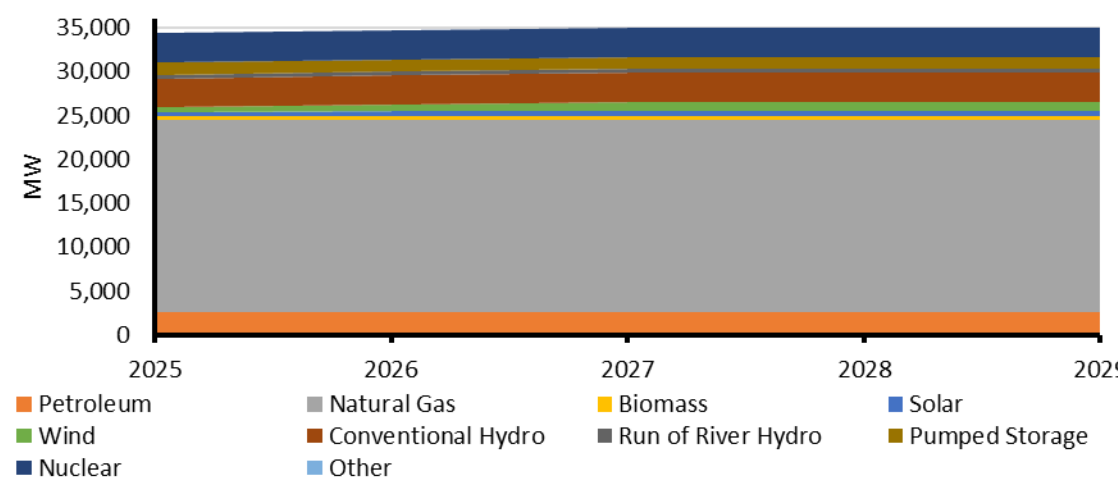
NPCC-New York is an assessment area consisting of the New York ISO (NYISO) service territory. NYISO is responsible for operating New York's BPS, administering wholesale electricity markets, and conducting system planning. NYISO is the only Balancing Authority within the state of New York. The BPS encompasses over 11,000 miles of transmission lines and 760 power generation units and serves 20.2 million customers. For this LTRA, the established RML is 15%. Wind, grid-connected solar, 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 (NYSRC). The NYSRC approved the 2025–2026 IRM at 24.4%.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	31,650	31,900	32,110	32,130	32,340	32,580	32,880	33,320	33,830	34,210
Demand Response	897	897	897	897	897	897	897	897	897	897
Net Internal Demand	30,754	31,004	31,214	31,234	31,444	31,684	31,984	32,424	32,934	33,314
Additions: Tier 1	495	858	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Additions: Tier 2	1,558	2,090	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572
Additions: Tier 3	1,381	4,384	6,384	7,928	8,383	8,383	8,383	8,383	8,383	8,383
Net Firm Capacity Transfers	1,600	2,880	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
Existing-Certain and Net Firm Transfers	35,511	36,790	37,096	37,097	37,097	37,097	36,687	36,687	36,687	36,687
Anticipated Reserve Margin (%)	17.1%	21.4%	22.5%	22.4%	21.6%	20.7%	18.3%	16.7%	14.9%	13.6%
Prospective Reserve Margin (%)	22.1%	28.2%	34.0%	33.9%	33.0%	32.0%	29.5%	27.7%	25.7%	24.3%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- Public policies, such as New York state's 2019 Climate Leadership and Community Protection Act (CLCPA), are driving rapid changes in New York's electric system, impacting how electricity is produced, transmitted, and consumed. The transition to a cleaner grid in New York is leading to an electric system that will be increasingly dynamic, decentralized, and reliant on weather-dependent renewable generation.
- Recent assessments reveal that reliability margins are shrinking. Electrification programs are increasing the demand for electricity and placing New York on a trajectory to be a winter-peaking system in the future. Largely in response to public policies, fossil fuel generators are retiring at a faster pace than new renewable supply is entering service. The potential for delays in construction of new supply and transmission, higher than forecasted demand, and extreme weather could threaten reliability and resilience of the New York grid.
- NYISO's reliability studies identified actionable reliability needs starting 2025 in New York City. The reliability need is primarily driven by a combination of forecasted increases in peak demand and the assumed unavailability of certain generation in New York City affected by state legislation and regulations promulgated by the New York State Department of Environmental Conversation, commonly known as the Peaker Rule,[34] to limit emissions. Following a solicitation for proposed solutions to the reliability need, NYISO retained several plants in New York City that would have otherwise been deactivated to comply with the Peaker Rule. NYISO's 2024 Reliability Needs Assessment (RNA), targeting completion in the fourth quarter of 2024, identifies transmission security violations of reliability criteria primarily driven by a combination of forecasted increases in peak demand, limited additional supply, and the assumed retirement of generation in New York City in response to state law and regulations.
- Driven by public polices, new supply, large loads, and transmission projects are seeking to interconnect to the grid at record levels. NYISO's interconnection process balances developer needs with grid reliability. Efforts are underway to make this process more efficient while protecting grid reliability. New transmission is being built, but more investment is necessary to support the delivery of offshore wind energy and to connect new resources upstate to downstate load centers where demand is greatest. Planning for new transmission to support offshore wind is underway in NYISO's Public Policy Transmission Planning Process.
- To achieve the mandates of the CLCPA, new dispatchable emission-free resources (DEFR) with the necessary reliability services will be needed to replace the capabilities and attributes of today's generation. These types of resources, which can achieve the necessary attributes by a combination of solutions, must be significant in capacity and have attributes similar to traditional generation plants, such as the ability to come on-line quickly, stay on-line for as long as needed, maintain the system's balance and stability, provide ERSs, and adapt to meet rapid, steep ramping needs. Such new emission-free supply is not yet available on a commercial scale.
- New wholesale electricity market rules are supporting the grid in transition. These markets are critical for a reliable transition. Wholesale electricity markets are open to significant investment in wind, solar, and battery storage as well as distributed energy resources. Demand management programs are also under development as a measure to facilitate achievement of CLCPA targets. By lowering the peak load and avoiding system buildout to serve the highest demand hour, fewer DEFRs will be needed and fewer fossil fuel-fired plants will be needed to meet lower peaks during the transition.

[34] Subpart 227-3 of Title 6 of the New York Codes, Rules an3,323d Regulations.

NPCC-New York Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	**2026**	**2027**	**2028**	**2029**
Petroleum	2,631	2,631	2,631	2,631	2,631
Petroleum*	2,628	2,628	2,628	2,628	2,628
Natural Gas	21,907	21,907	21,907	21,907	21,907
Biomass	334	334	334	334	334
Solar	545	586	586	586	586
Wind	461	785	1,070	1,070	1,070
Conventional Hydro	3,323	3,323	3,323	3,323	3,323
Run of River Hydro	413	413	413	413	413
Pumped Storage	1,410	1,410	1,410	1,410	1,410
Nuclear	3,330	3,330	3,330	3,330	3,330
Battery	50	50	50	50	50
Total MW	34,405	34,769	35,054	35,054	35,054
Total MW*	34,401	34,765	35,051	35,051	35,051
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to give formal notice to NYISO are removed from the resource projection where marked.					

NPCC-New York Assessment

Planning Reserve Margins

The LTRA anticipated and prospective margins are above 15% with the exception of year 9 (2033) and year 10 (2034). However, the system margins are narrowing throughout the assessment period. Wind, grid-connected solar, and run-of-river totals were derated for the LTRA calculation. Under its reliability planning processes, NYISO uses probabilistic assessments to evaluate its system's resource adequacy against the LOLE resource adequacy criterion of no greater than 0.1 event-days/year probability of unplanned load loss. NYISO's 2024 Reliability Needs Assessment, which is underway and targets completion in Q4 2024, will likely identify reliability criteria violations.

NYISO also provides support to the NYSRC in conducting an annual IRM study. This study determines the IRM for the upcoming capability year (May 1 through April 30). The IRM is used to quantify the capacity required to meet the NPCC and NYSRC resource adequacy criterion of "1 day in 10 years." The current IRM for the 2024–2025 capability year is 22% of the forecasted NYCA peak load. All values in the IRM calculation are based upon full installed capacity values of resources. The IRM has varied historically from 15% to 22%. Additionally, the NYISO performs an annual study to identify the locational minimum installed capacity requirements (LCR) for the upcoming capability year.

Energy Assessment, Including Non-Peak Hour Risk

New York State's CLCPA mandates to decarbonize span over all major industries and are a main driver for the electric system changes. NYISO staff in system operations, planning, and markets will continue to assess the system changes to prepare for the grid's transformation.

With high penetration of renewable intermittent resources, the system will need dispatchable emission-free resources (DEFR) and long-duration resources to balance intermittent supply with demand. These types of resources must be significant in capacity and have attributes such as the ability to come on-line quickly, stay on-line for as long as needed, maintain the system's balance and stability, and adapt to meet rapid, steep ramping needs. Additionally, although new transmission is being built, more investment is necessary to support the delivery of future offshore wind energy and to connect new resources upstate to downstate load centers where demand is greatest.

NYISO performs long-range assessments (10-year and beyond planning horizon), and certain energy aspects are accounted for in the hourly modeling and simulations performed under the resource adequacy studies through NYISO's reliability planning processes along with the production cost simulations performed under its System and Resource Outlook.

NYISO performs and supports energy assessments, including a fuel and energy security study, a study assessing potential impacts related to climate change, and weekly analysis of fuel and energy security based on load profiles and fuel inventories reported through NYISO's Generator and Fuel Emissions Reporting (GFER) data portal. These assessments are based on data and information provided by resources on an annual, weekly, and as-needed basis considering system operating conditions. These assessments have the capability to analyze the impact of changes in stored fuel inventory, resource outages, fuel supply disruptions, transmission constraints, and other relevant conditions that may adversely impact fuel and energy security. Additionally, the New York City and Long Island areas have a loss of gas supply dual-fuel requirement and certain combined cycle gas units participate in a "Minimum Oil Burn" program. While oil accounts for a relatively small percentage of the total energy production in New York, it is often called during critical periods, such as when severe cold weather limits access to natural gas.

Probabilistic Assessments (NERC ProbA and Other Studies)

NYISO performs probabilistic assessments using GE's Multi-Area Reliability Simulation (MARS) as part of its reliability planning processes as well as to determine annual IRM LCRs. NYISO also pursued capacity accreditation market rules to more accurately reflect capacity market suppliers' contributions to resource adequacy. These new market rules align compensation for capacity suppliers with an individual resource's expected reliability benefit to consumers and uses the probabilistic models from the LCR process to define capacity accreditation factors (CAF) for various capacity accreditation resource classes. The groundbreaking proposal was accepted by FERC in May 2022. The CAFs will reflect the marginal reliability contribution of the ICAP Suppliers within each Capacity Accreditation Resource Class toward meeting NYSRC resource adequacy requirements for the upcoming capability year, starting with the capability year that began in May 2024.

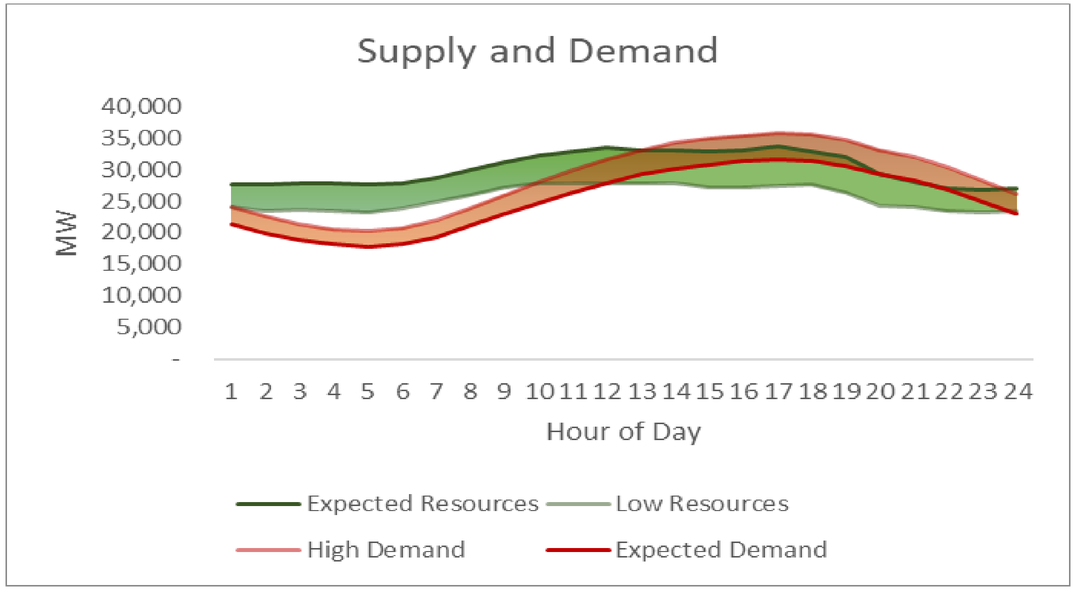
Additionally, NPCC provides results into NERC's ProbA process under the LTRA. The results from the ProbA performed in 2024 by NPCC are shown below.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.06	1.91	1.30
EUE (PPM)	0.00	0.01	0.01
LOLH (hours per year)	0.00	0.01	0.01
Operable On-Peak Margin	16.7%	14.0%	15.0%

* Provides the 2022 ProbA Results for Comparison

Most load-loss and unserved energy risk is in the summer months of late June through August.

Hourly demand and resource projections for a typical summer risk day in 2026 are shown in the figure below. Although expected resource contribution is enough to meet expected demand, there is risk that above-normal peak demand could exceed resources. Demand could be 10–13% higher than expected, which could cause strain on the system from the hours beginning 2:00 p.m. through 11:00 p.m. Also, below-normal resource performance from unexpected generator outages or low-solar output could also cause supply shortfalls. If resource contributions are less than expected, strain on the system could be seen from hour beginning 12:00 p.m. through 12:00 a.m. on a typical peak day. Reliance on external assistance may be necessary in these events. A risk day in 2028 has a similar profile.



Hourly Probabilistic Assessment Results | Representative Summer Risk Day 2026

NPCC's Directory 1 defines a compliance obligation for the NYISO, as a Resource Planner and Planning Coordinator, to perform a resource adequacy study evaluating a five-year planning horizon. NYISO delivers a report every year under this study process to verify the system against the 1-day-in-10-years LOLE criterion, which is usually based on NYISO's latest available reliability assessment results and assumptions. NYSRC Reliability Rules have recently included a requirement defining NYISO's obligation to deliver a Long-Term Resource Adequacy Assessment Report every year during which the NYISO publishes a Reliability Needs Assessment (RNA) and an annual update in the intervening year between RNAs.

Demand

NYISO employs a multi-stage process to develop load forecasts for each of the 11 zones within the New York Control Area (NYCA). The impacts of net electricity consumption of energy storage resources due to charging and discharging are added to the energy forecasts, while the peak-reducing impacts of BTM energy storage resources are deducted from the peak forecasts.

Currently, the NYCA summer peak typically occurs in late afternoon. The NYCA summer peak is projected to shift into the evening as additional BTM solar is added to the system and as EV charging impacts increase during the evening hours. Because the hour of the summer peak shifts into the evening over the course of the forecast horizon, BTM solar generation becomes less coincident with the NYCA peak hour, and BTM solar coincident peak reductions are forecasted to decrease in later years. The forecast of solar PV-related reductions to the winter peak is zero because the system typically peaks after sunset.

Trended weather conditions from the Climate Impact Study Phase I report are included in NYISO's end-use models and are reflected in the baseline, policy scenario, and percentile forecasts. NYISO develops 90th and 99th percentile forecasts to account for the impacts of extreme weather on seasonal peak demand and calculates 10th percentile forecasts to represent milder seasonal peak conditions.

The 10-year annual average energy (+1.7%) and summer peak demand (+0.8%) growth rates are higher than last year's forecast. Increases in growth rates relative to the prior forecast are primarily attributed to the significant impacts of interconnecting large load projects. Baseline energy and coincident peak demand increase significantly throughout the 30-year forecast period, driven largely by large load project growth in the early forecast years and electrification of space heating, non-weather sensitive appliances, and EV charging in the outer forecast years. New York is projected to become winter-peaking in future decades due to space heating electrification and EV penetration. To account for forecast uncertainty during winter due to electrification and large loads, NYISO implemented a winter dynamic load forecast uncertainty in the resource adequacy models for its 2024 RNA.

Demand-Side Management

NYISO is working on developing market concepts to encourage the participation of flexible load, which will become increasingly important as the levels of weather-dependent intermittent resources on New York's grid increase in response to the state's climate and clean energy policies. Many of New

York's utilities are piloting several load management programs (e.g., smart EV charging, home-thermostat use, and integration of BTM storage for local peak demand modulation). As part of NYISO's annual long-term forecasting process, the impacts of these programs are discussed and significant impacts on demand are included in the load forecast.

DR participation for the summer capability period has increased slightly from 1,234 MW to 1,281 MW since the *2023 LTRA*. There are currently 425 MW of DR participating in ancillary services programs and providing either 10-minute spinning reserves or 30-minute non-synchronous reserves.

Distributed Energy Resources

NYISO has implemented in 2024 a plan to integrate DERs, including DR resources, into the markets it administers. The DER Participation Model project aims to enhance participation of DERs in the competitive wholesale markets. These measures closely align the bidding and performance measurements for DERs with the rules for generators. The measures establish a state-of-the-art model that is largely consistent with the market design envisioned by FERC in its Order 2222. This project, which began in 2017, provides a single participation model for DER DR resources to provide energy, ancillary services, and installed capacity through an aggregation. The market rules for the DER and aggregation participation model were accepted by FERC in January 2020. NYISO filed additional proposed tariff revisions with FERC in June 2023 to clarify and enhance these market rules. NYISO deployed its DER participation model in 2024.

Generation

The pace of renewable project development and existing generation retirement is unprecedented and driving a need to increase the pace of transmission expansion, clean dispatchable generation, and demand management programs development. In general, resource and transmission expansion take many years from development to deployment. Coordination of project additions and retirements is essential to maintaining reliability and achieving policy. Significant new resource development will be required to achieve energy targets under the CLCPA. The total installed generation capacity to meet policy objectives within New York is projected to range between 111 GW and 124 GW by 2040. At least 95 GW of this capacity will consist of new generation projects and/or modifications to existing plants. Even with these additions, New York still may not be sufficient to maintain the reliable electricity supply. The sheer scale of resources needed to satisfy system reliability and policy requirements within the next 20 years is unparalleled.

Currently, NYISO's interconnection process contains a significant number of proposed projects in various stages of development with only a fraction in more advanced stages included in the reliability planning models. However, the grid will evolve to achieve the policy mandates, and those changes will affect the nature and amount of resources.

For the 2024 RNA, gas availability is derated during winter to further account for cold weather risks.

To achieve the CLCPA mandate of an emission-free grid by 2040, DEFRs must be developed and deployed throughout New York. DEFRs that provide sustained on-demand power and system stability will be essential to meeting policy objectives while maintaining a reliable electric grid. While essential to the grid of the future, such DEFR technologies are not commercially available today.

ERSs usually provided to the system by synchronous fossil generation will continue to be necessary. New technology is being developed to allow for a reliable transition to a clean grid. Grid-forming inverter capabilities, as well as DEFRs, will likely be part of this transformation. In May 2023, the New York State Public Service Commission (PSC) initiated a process to examine the need for resources to ensure the reliability of the CLCPA mandate for a zero-emissions electric grid by 2040. The PSC seeks to identify innovative technologies to ensure the reliability of a zero-emissions electric grid. Numerous other initiatives at both state and federal levels are in progress and may impact the grid of the future.

Energy Storage

Storage resources can help to fill in voids created by reduced output from renewable resources. However, sustained periods of reduced renewable generation can rapidly deplete storage capabilities. NYISO has implemented its Co-Located Storage Resources model to allow wind or solar resources that are interconnected with an energy storage resource the ability to participate in the markets while respecting a shared interconnection limitation. NYISO is developing a model for hybrid storage resources to allow multiple technologies at the same point of interconnection to participate in the market as a single resource. Additionally, the resource adequacy simulation tools (such as GE's MARS) used in system planning by NYISO and for setting the IRMs were enhanced to include energy-limited resources models that allow for charging and discharging and also include temporal constraints (e.g., hours/days or hours/month).

Capacity Transfers

The models used for NYISO's reliability planning studies include firm capacity transactions (purchases and sales) with the neighboring systems as a base-case assumption. Proposed projects that are in a more advanced stage are included. One such project is the 1,250 MW HVdc line from Québec to New York City, which is reflected in the LTRA summer total transfers starting in 2026. Additionally, the probabilistic model that NYISO uses to assess the adequacy of resources in the reliability planning processes employs several methods aimed at preventing overreliance on the external systems support. For example, NYISO employs limiting emergency assistance from neighbors by modeling a total limit of 3,500 MW, modeling five simultaneous peak days, modeling the long-term purchases and sales with neighboring control areas, and not modeling emergency operating procedure steps for the neighbors.

New York is fortunate to have strong interconnections with neighboring regions and has enjoyed reliability and economic benefits from such connections. As the energy policies in neighboring regions evolve, New York's imports and exports of energy could vary significantly due to the resulting changes in neighboring grids. The availability of energy for interchange is predicted to shift fundamentally as policy achievement progresses. As New York's and other regions' grids evolve, continuous monitoring and collaboration with our neighboring states will be required.

Transmission

Significant new transmission is being built across New York, but more investment is necessary to support, among other things, the delivery of offshore wind energy to connect new resources upstate to downstate load centers where demand is greatest.

Key transmission projects under development and accounted for in the reliability models include the following:

- The Northern New York Priority Transmission Project upgrading the transmission corridors from the renewable generation pocket in the north country to central New York
- The 1,250 MW Champlain-Hudson Power Express HVdc line from Hydro-Québec to New York City
- The AC Public Policy Transmission Projects that consist of upgrading transmission corridors in central New York and the lower Hudson Valley, which projects target completion of the majority of the components by December 2023
- The transmission project selected to address the Long Island Offshore Wind Expert Public Policy Transmission Need and that adds three new dc tie lines and a 345 kV backbone across western/central Long Island with an in-service date in 2030

Additionally, there are significant transmission projects either recently selected or under study that have not yet met the criteria to be in the reliability model. For instance, the PSC recently identified a new public policy transmission planning need for NYISO to solicit proposed solutions and that is intended to support the integration of 4.7 GW of wind resources in New York City.

Furthermore, in 2020, the PSC ordered the New York utilities to undertake planning assessments and make investment proposals to facilitate the cost-effective development of renewable and emissions-free resources while maintaining the reliability of New York's electric grid. The Coordinated Grid Planning Process (CGPP) was approved by the PSC in August 2023. The process is designed to assess the state's electric grid using a 20-year planning horizon. The CGPP is intended to identify electric grid expansions that can aid in unlocking renewable generation capacity and provide energy headroom for the purpose of meeting New York's clean energy goals while providing value to customers. Moreover, the CGPP is designed to identify opportunities for expansion of the bulk transmission system to advance the mandates of CLCPA. This provides another opportunity to inform the PSC's consideration of whether to establish a public policy transmission need for NYISO to solicit and evaluate proposed solutions.

Reliability Issues

The 2024 RNA, targeting completion in the fourth quarter of 2024, identifies transmission security violations of reliability criteria primarily driven by a combination of forecasted increases in peak demand, limited additional supply, and the assumed retirement of generation in New York City in response to state law and regulations. Accounting for these factors, the planned bulk power transmission system will not be able to securely and reliability serve the forecasted demand in New York City. When accounting for forecasted economic growth and policy-driven increases in demand, the New York City (Zone J) will be deficient starting in summer 2033 by as much as 17 MW for 1 hour and increasing to 97 MW for 3 hours in summer 2034 on the peak day during expected weather conditions. The Reliability Need occurs within the transmission district owned by Consolidated Edison Company of New York, Inc. ("Con Edison"). Con Edison is designated as the Responsible Transmission Owner in the NYISO's transmission planning process and required to submit a regulated backstop solution to address the need, which may be triggered if sufficient market-based solutions do not materialize.

Prior to the 2024 RNA, the NYISO completed the 2023 Q2 STAR on July 14, 2023. This assessment found a reliability need beginning in summer 2025 in New York City primarily driven by a combination of forecasted increases in peak demand and the assumed unavailability of certain generation in New York City affected by the New York Department of Environmental Conservation (DEC) Peaker Rule. The reliability need is a deficiency in the transmission security margin. Specifically, the New York City zone is deficient by as much as 446 MW for a duration of nine hours on the peak day during expected weather conditions (95 degrees Fahrenheit) when accounting for forecasted economic growth and policy-driven increases in demand. To ensure the continued reliability of electric service in New York City, NYISO designated the generators on the Gowanus 2 & 3 and Narrows 1 & 2 barges as necessary for reliability to temporarily remain in operation after the Peaker Rule compliance date until permanent solutions to the need are in place, for an initial period of up to two years (May 1, 2027).

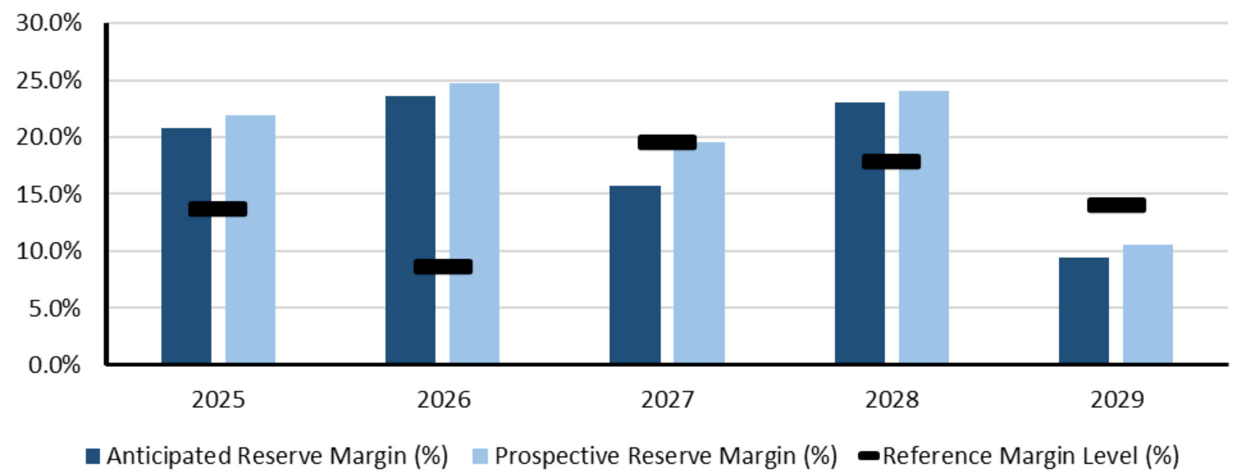
The transition to a cleaner grid in New York is leading to an electric system that is increasingly dynamic, decentralized, and reliant on weather-dependent renewable generation and may lead to increasing reliability issues on the New York system. Reliability margins are shrinking. Generators needed for ERSs are planning to retire. Delays in the construction of new supply and transmission, higher-than-expected demand, and extreme weather could threaten reliability and resilience in the future. The system is projected to become winter-peaking in the next decade due to electrification and decarbonization policies. Large loads are being proposed to interconnect to the system. New York's current reliance on neighboring systems is expected to continue through the next 10 years. A successful transition of the electric system requires replacing the reliability attributes of existing fossil-fueled generation with clean resources with similar capabilities. Such resources must be significant in capacity and have attributes such as the ability to come on-line quickly, stay on-line for as long as needed, maintain the system's balance and stability, and adapt to meet rapid, steep ramping needs. New transmission is being built but more investment is necessary to support the delivery of offshore wind energy to connect new resources located in upstate to downstate load centers where demand is greatest.

NPCC-Ontario

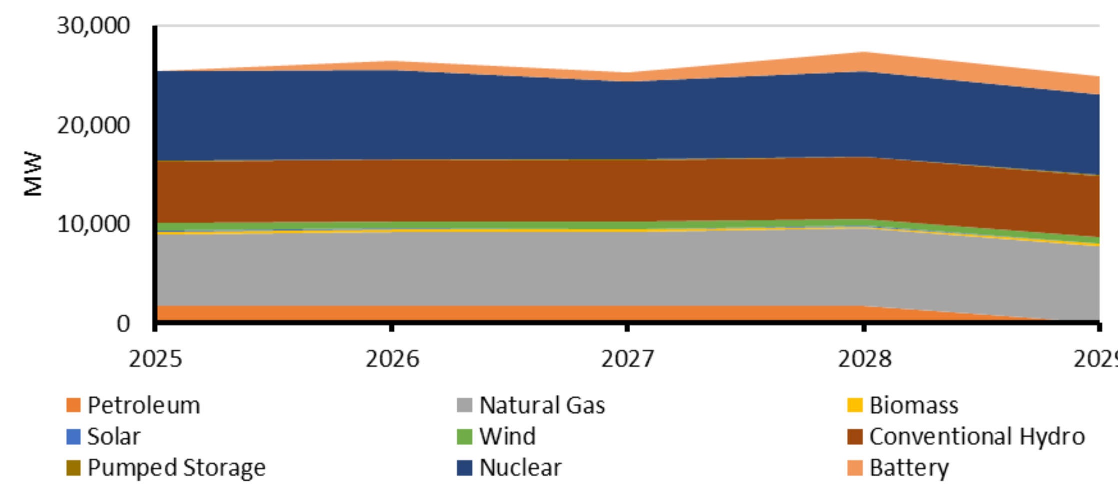
NPCC-Ontario is an assessment area in the Ontario province of Canada. The IESO is the Balancing Authority for the province of Ontario. The province of Ontario covers more than 1 million square kilometers (415,000 square miles) and has a population of more than 16 million. Ontario is interconnected electrically with Québec, MRO-Manitoba, states in MISO (Minnesota and Michigan), and NPCC-New York.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	23,385	23,860	24,264	24,627	25,248	26,038	26,473	27,373	27,974	28,789
Demand Response	1,791	1,914	1,914	1,914	1,914	1,914	1,914	1,914	1,914	1,914
Net Internal Demand	21,594	21,946	22,350	22,713	23,333	24,123	24,559	25,458	26,060	26,875
Additions: Tier 1	617	1,737	1,735	3,012	3,302	3,300	3,843	4,385	4,384	5,128
Additions: Tier 2	0	0	0	0	0	0	0	0	0	0
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	600	600	500	600	600	600	600	0	0	0
Existing-Certain and Net Firm Transfers	25,470	25,394	24,133	24,924	22,242	22,051	20,660	20,705	20,671	20,257
Anticipated Reserve Margin (%)	20.8%	23.6%	15.7%	23.0%	9.5%	5.1%	-0.2%	-1.4%	-3.9%	-5.5%
Prospective Reserve Margin (%)	22.0%	24.8%	19.5%	24.1%	10.5%	6.1%	0.8%	-0.5%	-2.9%	-4.6%
Reference Margin Level (%)	13.7%	8.6%	19.5%	17.8%	14.1%	9.4%	17.2%	8.1%	6.8%	8.5%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- While potential reserve margin shortfalls are forecast for 2027 and 2029, they are mainly driven by changes in the IESO's resource adequacy assessment methodology since the *2023 LTRA*. Last year, reserve margin calculations included the continuation of existing resources (following contract expiry) for the entire outlook period. For this LTRA, reserve margins reflect the contribution of existing resources only until the end of their contract or commitment period. This change to the methodology is more conservative and helps to better identify system needs in the IESO's planning assessments to establish resource acquisition targets and address anticipated needs.
- The IESO has two capacity sharing agreements with Hydro-Québec providing firm summer capacity, which will help to address future shortfalls this decade.
- The IESO has completed a broad set of actions to secure new capacity for this decade to ensure that Ontario's power system needs are met during a period of nuclear retirements and refurbishments and economy-wide demand growth. This includes securing long-term commitments amounting to 2,195 MW of new capacity to be on-line by 2028, with early operation incentives anticipated to bring a portion on-line as early as 2027 to help alleviate the reserve margin gap.
- The annual capacity auction, which helps to meet needs in the short term by securing capacity for up to one year at a time, has historically secured more capacity than targeted. Trends suggest that this should continue, as the November 2024 auction (which will help to ensure reliability through summer 2025 and winter 2025–2026) also secured more capacity than targeted.
- The IESO is taking steps that will address future shortfalls around the end of this decade and heading into the 2030s. The next round of medium- and long-term procurements was recently launched to ensure that capacity and energy needs continue to be met. The second medium-term procurement aims to re-commit existing resources with contracts expiring over the 2026–2029 period, while the second long-term procurement aims to secure capacity and energy from new resources (to be online as early as 2029), to meet needs emerging in the early 2030s.
- The IESO is also responsible for implementing new provincial policy as outlined in the Ontario government's July 2023 Powering Ontario's Growth report, which includes developing new nuclear projects, transmission expansions, and expanded conservation and demand management programs. The IESO will also incorporate changes stemming from the federal release of the final Clean Electricity Regulations, anticipated toward the end of 2024.

NPCC-Ontario Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Petroleum	1,695	1,695	1,695	1,695	5
Natural Gas	7,275	7,465	7,465	7,847	7,761
Biomass	297	294	257	209	209
Solar	100	100	100	100	100
Wind	743	722	711	711	602
Conventional Hydro	6,215	6,212	6,212	6,212	6,202
Pumped Storage	38	38	38	38	38
Nuclear	9,008	9,008	7,895	8,639	8,142
Battery	118	998	996	1,886	1,885
Total MW	25,487	26,531	25,368	27,336	24,944

NPCC-Ontario Assessment

Planning Reserve Margins

The ARM falls below the RML starting in 2027. While expected nuclear retirements, the ongoing nuclear refurbishment program, and demand growth are resulting in increased needs this decade, the reserve margin shortfalls indicated in 2027 and 2029 are primarily driven by the change in the IESO's resource adequacy assessment methodology described above.

Mid-decade capacity needs that were identified in the 2022 *Annual Acquisition Report* have been met through a series of competitive procurements. Since May 2023, the IESO has secured over 3,600 MW of new capacity from battery storage, natural gas, and biogas facilities, expected to come on-line between 2025 and 2028. In addition, the 2023 capacity auction secured 1,867 MW of summer capacity and 1,311 MW of winter capacity above targets of 1,400 and 850 MW, respectively. The IESO continues to actively procure existing and new resources to meet longer-term needs, using the mechanisms in the Resource Adequacy Framework.

Ongoing refurbishments at Bruce Nuclear Generating Station (NGS) and Darlington NGS will see between one and three reactors concurrently off-line through Summer 2033. Refurbishments remain on or ahead of schedule and outages continue to be managed to limit impacts to the grid. Following the return to service of refurbished units at Bruce, each unit is expected to be uprated, with the additional capacity anticipated to be available in the early 2030s.

The Ontario government has also announced a plan to deliver three additional small modular reactors in addition to the 300 MW unit already underway (anticipated on-line in 2029). The provincial government's July 2023 Powering Ontario's Growth plan directed the IESO to conduct an impact assessment on potentially adding 4,800 MW of large-scale nuclear capacity to Bruce NGS. Approval was granted from the federal nuclear regulator in October 2024 to extend operation of four units at Pickering NGS (previously scheduled for decommissioning in 2025) through September 2026. The government is also supporting the refurbishment of the four units at Pickering, with refurbishment of the first unit anticipated to be completed in 2031.

To address resource adequacy needs emerging mid-decade due to the combined effect of nuclear retirements and refurbishments, as well as expiring generation contracts, the IESO has employed competitive acquisition mechanisms from the Resource Adequacy Framework in part via the capacity auction referenced above. The IESO's first long-term procurement concluded in May 2024 and secured long-term commitments from 10 battery storage facilities for 1,784 MW of new capacity and three natural gas/biogas facilities for 411 MW of new capacity. Facilities are anticipated to be in service as early as May 2027.

The IESO calculates the reserve margin requirement on an annual basis and publishes this in the Annual Planning Outlook (APO). The requirement is calculated for each year for net demand at the time of the annual demand peak to provide an LOLE that is at or below 0.1 days per year. The reserve margin requirement in the *2024 LTRA* is derived from the capacity requirement in the 2024 APO, plus any material changes to demand and supply following APO publication.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

Energy adequacy assessments are conducted annually for the APO by using a deterministic approach in the IESO's economic dispatch model. In addition, the IESO's capacity adequacy assessments consider the system's ability to serve load in all hours of the year (i.e., during peak hours as well as non-peak load hours).

As demand requirements increase, nuclear refurbishments continue, and some units at the Pickering NGS retire in 2024, Ontario's energy needs are expected to be met this decade by the resources secured through the IESO's recently completed procurements. The second medium-term procurement, which was recently launched, aims to secure capacity and energy from existing resources reaching contract end; this is expected to help alleviate energy risks in the latter half of this decade. The second long-term procurement that is underway aims to acquire new capacity and energy-producing resources and is anticipated to alleviate energy risks in the early 2030s.

Factors that could increase energy adequacy risks include aging resources and the potential for decreased performance, market exit of resources reaching contract end, extreme weather, and decarbonization policies and risks presented by new resources, including in-service delays or a high risk of forced outages during the initial period of operation. Deliverability challenges for new resources and long lead times required to build new transmission may also increase energy adequacy risks. Demand-side factors include materialization of data centers, increased industrial automobile production and EV supply chain loads, and climate change impacts on weather-sensitive load.

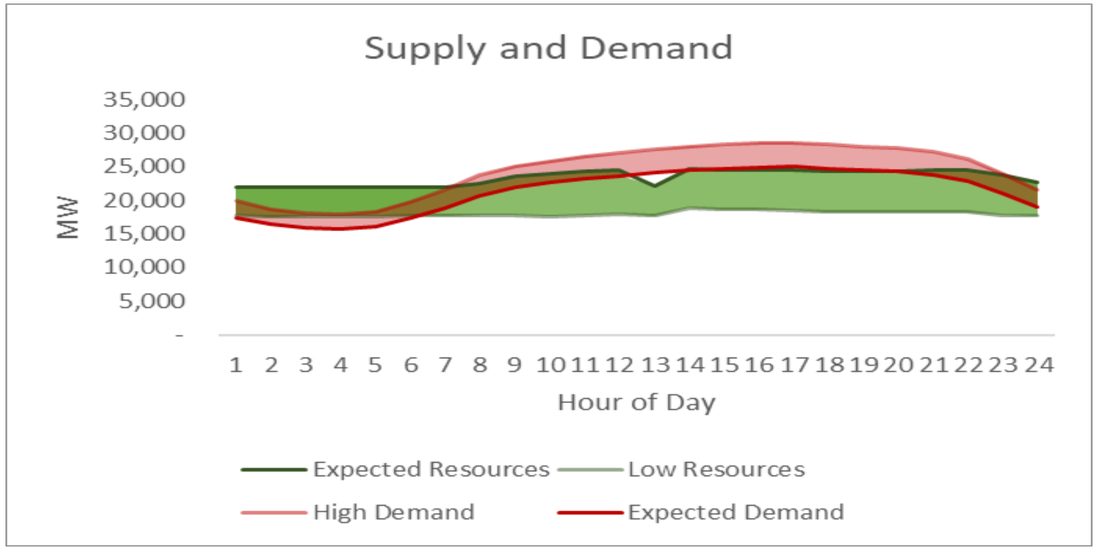
Looking forward, with the federal government's proposed Clean Electricity Regulations to decarbonize Canada's electric system by 2050, the IESO is assessing the role of natural gas generation as a flexible resource in the interim as new sources of non-emitting supply are added to the system.

The IESO conducts probabilistic resource adequacy assessments annually in conjunction with NPCC to identify regional capacity resource needs and to comply with NPCC and NERC reliability requirements. Results from the 2024 ProbA are shown in the table on the next page. The low risk of unserved energy is concentrated in the summer peak period, which typically occurs in late August.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	72.16	**0.04**	**4.97**
EUE (PPM)	0.49	**0.00**	**0.03**
LOLH (hours per year)	0.44	**0.00**	**0.01**
Operable On-Peak Margin	-6.7%	**13.3%**	**9.5%**

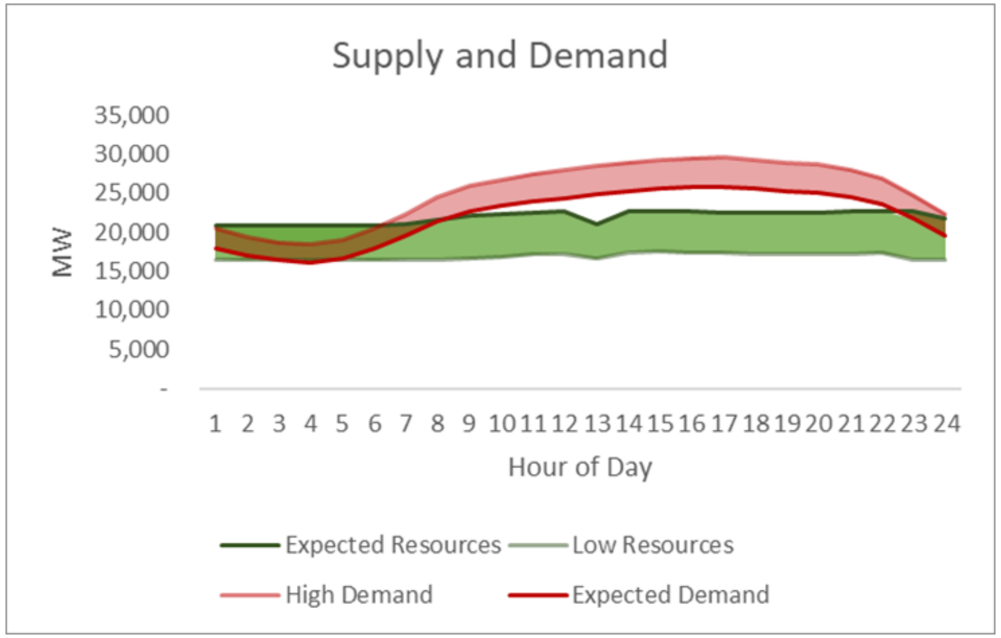
* Provides the 2022 ProbA Results for Comparison

Hourly demand and resource projections for a representative summer risk-day in 2026 are shown in the figure below. Expected resource contributions are not sufficient to meet expected demand on the risk day. The risk could be exacerbated by either a lower-than-expected resource contribution event or a higher-than-expected demand event, with greater risk being due to a larger variability in resource contribution. There is expected strain on the system from the hours beginning 12:00 p.m. through 8:00 p.m. If resource contributions are less than expected, strain on the system at expected demand conditions could be seen for almost all hours of the day beginning at 7:00 a.m. Reliance on external assistance may be necessary during peak conditions.



Hourly Probabilistic Assessment Results | Representative Summer Risk Day 2026

In 2028, the EUE and LOLH are higher than 2026. Risk occurs during the same summer peak period but also during winter peak conditions in December. Demand growth that is forecasted to occur between 2026 and 2028 contributes to higher loss-of-load risk compared to the 2026 result. The risk day in 2028 has the same drivers as the 2026 result noted above.



Hourly Probabilistic Assessment Results | Representative Summer Risk Day 2028

Demand

Forecasted demand for this *2024 LTRA* outlook period (relative to the *2023 LTRA* outlook period) indicates 10% higher annual energy demand, 8% higher summer peak demand, and 9% higher winter peak demand.

With an expanding agricultural and greenhouse sector, along with increasing electricity use for home heating and transportation, summer and winter peaks are anticipated to converge over the forecast period, leading Ontario to be dual-peaking by 2030. In the near term, the peak magnitude is expected to increase slightly as the province exits the remnants of the post-pandemic inflationary cycle, and new industrial projects supporting decarbonization begin commercial operation. Over this assessment period, the IESO projects total internal demand growth to increase at a compound annual growth rate of 2.34% for summer and 2.75% for winter. Offsetting the growth in demand are reductions from conservation, including savings from EE programs and codes and standards regulations, electricity price responsiveness and increased output by embedded generation.

Ontario's Industrial Conservation Initiative (ICI) acts as a critical peak pricing program leading to reductions in demand at peak and is expected to reduce around 1,500 MW if the hour of annual system peak demand occurs in the summer or around 1,000 MW if it occurs in the winter. It is expected to scale based on increased industrial growth in future years, with reductions in 2034 of 2,000 MW for a summer peak demand hour and over 1,400 MW for a winter peak demand hour.

Demand-Side Management

DR capacity, from both dispatchable loads and hourly DR resources (e.g., residential or commercial and industrial load), is procured through the IESO's annual capacity auction. Starting with the 2023 capacity auction, the IESO implemented a capacity qualification process for all resource types eligible to participate, which applies resource-specific calculation methodologies to determine the amount of unforced capacity (UCAP) each resource is eligible to offer into the auction.

In June 2023, the IESO launched Peak Perks, a residential DR program where participants help reduce demand by up to 150 MW through brief, time-limited thermostat adjustments during periods of peak electricity demand in the summer months.

In July 2023, the IESO launched an interruptible rate pilot to provide large-load customers with an interruptible rate in exchange for agreeing to temporarily reduce demand when directed by the IESO. The pilot spans a three-year period and up to 15 events of up to four-hour duration can be called, primarily in the day-ahead timeframe but also on shorter notice.

Forecast savings from the IESO's 2021–2024 Conservation and Demand Management Framework were included in the forecast and resulted in a decrease in demand. Savings from the 2021–2024 CDM framework are expected to persist beyond the end of 2024. In February 2024, Ontario's minister of energy asked the IESO to examine options and analysis for a post-2024 EE framework and programs.

Distributed Energy Resources

The IESO estimates that contracted DERs contributed more than 3,400 MW of capacity and 5.3 TWh of energy in 2023, more than half of which is solar PV, one-third wind, and modest contributions from hydroelectric and biomass resources. While the IESO has little insight into uncontracted DERs, it has observed energy contributions of approximately 2 TWh in 2023.

Generation

Recent generation procurements are provided in the PRM section.

The transmission-connected supply mix in Ontario has shifted over the past decade from having only synchronous generation facilities to one with more IBRs including wind, solar, and storage. Previous assessments performed by the IESO indicate that Ontario is expected to have sufficient inertia and frequency response to ensure stable operation up to 2025.

Going forward, the addition of over 2,900 MW of new battery storage resources in the next few years will increase the proportion of IBRs on the system. With the shift toward a higher proportion of IBRs, further areas that will be explored include the sufficiency of the resource mix to provide system inertia, primary frequency response, operating reserve, ramping capability, reactive support, and voltage control. If needs are identified, the IESO's procurements may be used as one avenue to acquire resources that can provide the required services.

The IESO has also been taking a proactive approach to dealing with challenges posed by IBRs. This includes working to optimize the location of IBR resources acquired through the IESO's procurements to minimize performance issues and initiating a review of the IESO's Market Rules to align with the latest IEEE 2800 standard, which aims to establish uniform technical minimum requirements for interconnection, capability, and lifetime performance of IBRs.

Energy Storage

By May 2028, over 2,900 MW of new battery storage resources are expected to come on-line, including the 250 MW/1,000 MWh Oneida battery storage facility (expected to be operational in June 2025), and 2,714 MW of battery storage resources secured through the IESO's first set of long-term procurements. Of this, 930 MW is expected to reach commercial operation by May 2026 and the remaining 1,784 MW by May 2028. These standalone battery storage resources (with a minimum four-hour duration) are expected to support the reliable operation of Ontario's electric system through the ability to be dispatched by the IESO and ramp up and down quickly. The resources are also located in areas of Ontario where transmission security or resource adequacy needs were identified.

Newly acquired energy storage facilities through the IESO's first set of long-term procurements will be required to be available during peak hours.

Capacity Transfers

Firm capacity imports and exports with neighboring jurisdictions are included in the IESO's planning studies. For non-firm imports, the IESO assumes a limited amount for the purposes of its reliability assessments. Non-firm imports are assumed to be 250 MW for summer and 240 MW for winter, an amount considered likely to flow throughout the year, including under tight supply conditions and prices.

In November 2024, the IESO and Hydro-Québec finalized a new capacity sharing agreement for a swap of a minimum of 600 MW of capacity per season. Under this agreement, the IESO will deliver capacity to Québec during the winter period and Hydro-Québec will deliver capacity to Ontario during the summer period. The agreement commences in the Winter 2024–2025 season and runs to October 2031, with an option for an extension for an additional three years. Other terms of the agreement are expected to include the option for the IESO to increase the minimum amount provided to Québec each year and to bank any amount of the 600 MW from Québec for use in a future summer period over the term of the agreement.

The 2023 capacity auction secured 300 MW of system-backed imports from Québec for the Summer 2024 obligation period. As part of the 2016 capacity sharing agreement between Ontario and Québec, the IESO may call on a total of 500 MW of firm imports from Hydro-Québec, which may be requested all in one summer or in smaller amounts over multiple summers. The IESO's recent assessments indicate the intention to utilize the 500 MW of firm imports from June to September 2027 to help meet resource adequacy needs. However, depending on the outcomes of the ongoing procurements and changes to Ontario's resource adequacy outlook, the IESO may choose to utilize this capacity in another year.

Transmission

The existing transmission system in northeastern Ontario has insufficient capability to reliably supply forecasted load growth; as such, the IESO has recommended several new transmission reinforcements in the region to address this need. Several of the recommended reinforcements are in the early project development stage and one is undergoing a transmitter selection process.

The IESO recently recommended additional transmission reinforcements in southwest Ontario to support the area's medium-term needs, including a double circuit, 230 kV line from Lambton transmission station to Chatham substation, expected in-service by 2028, and a new 500 kV transmission line connecting Longwood and Lakeshore transmission stations, to be in-service by 2030. These projects will ensure that transfer capability continues to be sufficient as additional load continues to connect in the area.

Reliability Issues

Nuclear refurbishment over the next decade is a major resource risk that requires additional attention. The IESO has regular meetings with nuclear operators to assess probable delays and take appropriate mitigation actions.

For long-term planning purposes, the IESO carries an additional level of nuclear refurbishment reserve to account for the risk of refurbishment delays and increased forced outage rates pre- and post-refurbishment. In addition, advanced outage approvals are provided solely when Ontario is adequate under extreme weather.

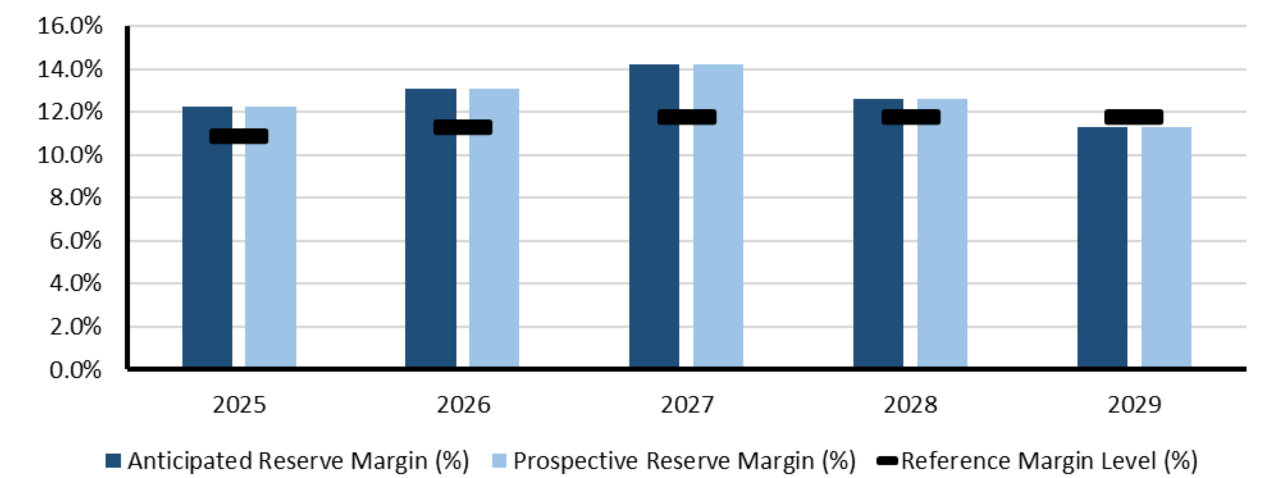
Other factors that may pose reliability risks include supply chain issues, conditions in neighboring jurisdictions, extreme weather, decarbonization-driven changes to supply and demand, policy and regulatory uncertainty, asset health, and potential market exit of existing resources.

NPCC-Québec

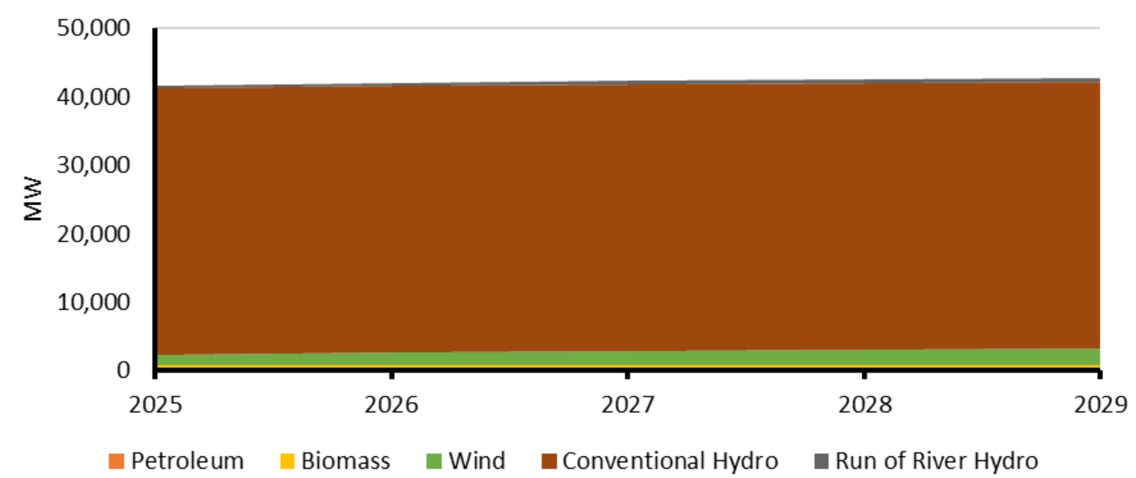
The Québec assessment area (Province of Québec) is a winter-peaking NPCC subregion that covers 595,391 square miles with a population of 8.5 million. Québec is one of the four NERC Interconnections in North America with ties to Ontario, New York, New England, and the Maritimes. These ties consist of either HVdc ties, radial generation, or load to and from neighboring systems.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	41,497	41,954	42,476	43,385	44,070	44,784	45,577	46,635	47,828	49,041
Demand Response	4,732	4,896	5,068	5,258	5,322	5,377	5,388	5,388	5,388	5,388
Net Internal Demand	36,765	37,058	37,408	38,127	38,748	39,408	40,189	41,247	42,440	43,652
Additions: Tier 1	73	469	665	835	1,016	1,016	1,016	1,016	1,016	1,016
Additions: Tier 2	0	0	0	0	0	0	0	0	0	0
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	-390	-145	455	455	455	600	0	0	0	0
Existing-Certain and Net Firm Transfers	41,185	41,429	42,066	42,103	42,103	42,256	41,656	41,656	41,656	41,656
Anticipated Reserve Margin (%)	12.2%	13.1%	14.2%	12.6%	11.3%	9.8%	6.2%	3.5%	0.5%	-2.2%
Prospective Reserve Margin (%)	12.2%	13.1%	14.2%	12.6%	11.3%	9.8%	6.2%	3.5%	0.5%	-2.2%
Reference Margin Level (%)	10.9%	11.3%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM and PRM remain above the RML until 2029 (winter 2029–3030).
- A total of 4,048 MW wind generation capacity (1,016 MW capacity value at peak time) is expected to be in service by 2030.
- Two new transmission projects connecting Québec with New England and New York are expected to be in service by the end of 2025 and May 2026, respectively.

NPCC-Québec Projected Generating Capacity by Energy Source in Megawatts (MW)

	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030
Petroleum	429	429	429	429	429
Biomass	400	400	400	400	400
Wind	1,449	1,807	2,002	2,173	2,354
Conventional Hydro	38,925	38,962	38,999	39,036	39,036
Run of River Hydro	446	446	446	446	446
Total MW	41,648	42,043	42,276	42,483	42,664

NPCC-Québec Assessment

Planning Reserve Margins

The ARM is based on existing and anticipated generating capacity and firm capacity transfers. The Québec area projects an ARM above the RML over the first five winters of the assessment period (2024–2025 to 2028–2029). The ARM is under the RML for the winters 2029–2030 to 2034–2035 mainly due to the demand growth.

The RML is derived from the NPCC 2023 Québec Balancing Authority Area Comprehensive Review of Resource Adequacy, which was approved by NPCC's Reliability Coordinating Committee on December 5, 2023. The demand uncertainty captured in the reserve ratio reflects both weather and economic uncertainty. The methods and assumptions can be found in the [Comprehensive Review report] available on the NPCC website.

The assumptions used for this assessment, including demand forecast and resources, are consistent with the Hydro-Québec 2023 Supply Plan update, which was filed with the Régie de l'énergie on November 1, 2023.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

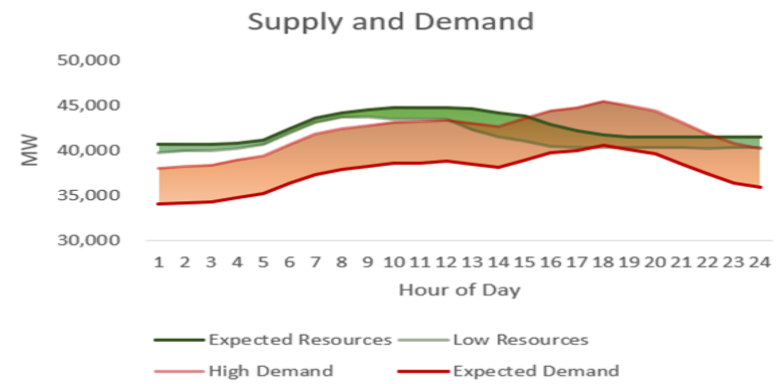
The main energy risk for the Québec area is associated with a series of dry years, hence the energy reliability criterion established by the Régie de l'énergie. This risk surpasses the energy risk associated with the other renewable resources over the horizon of this study. The potential impact of climate change on the water inflows could be an issue for energy reliability and is therefore the subject of various ongoing internal studies.

Hydro-Québec conducts probabilistic resource adequacy assessments annually in conjunction with NPCC to identify regional capacity resource needs and comply with NPCC and NERC reliability requirements. Results from the 2024 ProbA are shown in the table below. The low risk of unserved energy is concentrated in the winter peak period, which typically occurs in late January to early February.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.00	**8.21**	**4.97**
EUE (PPM)	0.00	**0.04**	**0.03**
LOLH (hours per year)	0.00	**0.01**	**0.01**
Operable On-Peak Margin	-2.3%	**9.8%**	**11.9%**

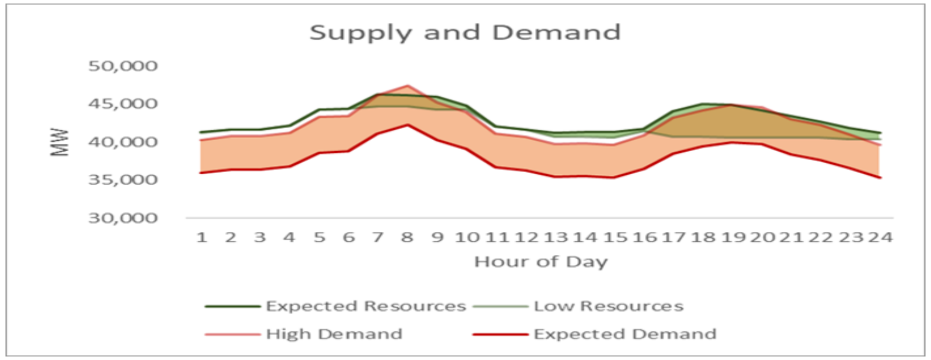
* Provides the 2022 ProbA Results for Comparison

Hourly demand and resource projections for a typical winter risk day in 2026 are shown in the figure below. Although expected resource contribution is expected to be enough to meet expected demand, there is risk that above-normal demand could exceed resources. Demand could be 10–15% higher than expected, which could strain the system from the hours beginning 3:00 p.m. through 10:00 p.m. Also, if resource contributions are less than expected, the peak hour beginning at 6:00 p.m. could lead to a loss-of-load situation. Reliance on external assistance may be necessary in these events.



Hourly Probabilistic Assessment Results | Representative Winter Risk Day 2026

Hourly demand and resource projections for a typical winter risk day in 2028 are shown in the figure below.



Hourly Probabilistic Assessment Results | Representative Winter Risk Day 2026

Demand

The requirements are obtained by adding transmission and distribution losses to the sales forecasts. The monthly peak demand is then calculated by applying load factors to each end-use and/or sector sale. The sum of these monthly end-use sector peak demands is the total monthly peak demand.

Demand-Side Management

The Québec area has various types of DR resources specifically designed for peak shaving during winter operating periods. The first type of DR resource is the interruptible load program that is mainly designed for large industrial customers; it has an impact of 2,784 MW on winter 2024–2025 peak demand. The area is also expanding its existing interruptible load program for commercial buildings, which will grow from 611 MW in 2024–2025 to 889 MW by the end of the period study. Another similar program for residential customers is in operation and should gradually rise from 166 MW for Winter 2024–2025 to 621 MW for Winter 2028–2029.

New dynamic rate options for residential and small commercial or institutional customers will also contribute to reducing peak load during winter periods by 371 MW for Winter 2024–2025 and 445 MW for Winter 2034–2035. Moreover, data centers specializing in blockchain applications are required to reduce their demand during peak hours at Hydro-Québec's request. Their contribution as a resource is expected to be around 269 MW over the study period. Finally, another DR resource consists in a voltage reduction scheme allowing for a 250 MW peak demand reduction. EE and conservation programs are integrated in the assessment area's demand forecasts.

Distributed Energy Resources

Total installed BTM capacity (solar PV) is expected to increase to 862 MW in 2035. Solar PV is accounted for in the load forecast. Nevertheless, since Québec is a winter-peaking area, DERs' on-peak contribution ranges from 2 MW for Winter 2024–2025 to 5 MW for the last winter period. No potential operational impacts of DERs are expected in the Québec area considering their low contribution.

Generation

Four wind projects with a total installed capacity of 4,000 MW are expected to be commissioned during the assessment period. The first project, Apuiat (204 MW), is expected to be commissioned in 2024–2025. The second project (1,144 MW divided into 6 wind farms) is expected to be commissioned in December 2026. The third project is Des Neiges (1,200 MW) and is divided into three phases (400 MW each). The first phase is expected to be operational in the winter of 2026–2027. The second and third phases are expected to be in service for the 2027–2028 and 2028–2029 winters, respectively. The fourth project is made of 1,500 MW divided into 8 wind farms, which are expected to be operational in the winters of 2027–2028, 2028–2029 and 2029–2030, depending on the location.

In addition to wind projects, unit replacement projects at existing hydroelectric facilities are being studied. Up to 2,000 MW of capacity could be added by replacing generating units with most recent models, as outlined in Hydro-Québec's Action Plan 2035.

Energy Storage

No energy storage facilities are planned to be commissioned during the assessment period.

Capacity Transfers

The governments of Québec and Ontario have signed an MOU of an agreement that allows a seasonal capacity exchange between the two areas for the next seven years except for the year 2027 (no exchange is allowed). The technical details of the agreement will be completed by Fall 2024 and will be in place from Winter 2024–2025 to winter 2030–2031. This agreement will be firm and allow Québec to import 600 MW from November to April. In summer, Québec will export 600 MW of firm capacity to Ontario from May to October.

Transmission

Appalaches-Maine Interconnection

This project, expected to increase transfer capability between Québec and Maine by 1,200 MW, has resumed construction. The project will connect to the New England Clean Energy Connect project (NECEC) in Maine. It involves the construction of a ±320 kV dc transmission line about 100 kilometers (62 miles) long from the Des Appalaches 735/230 kV substation to the Canada-United States. border. From the international border crossing, the dc transmission line will be extended 145 miles to a substation in Lewiston, ME, where the power will be converted from dc to ac. The project in Québec also includes the construction of an dc to dc converter at the Des Appalaches substation and triggers the need of thermally upgrade two 735 kV lines in the south of the system. The project is expected to be in service in December 2025.

Hertel-New York Interconnection (CHPE)

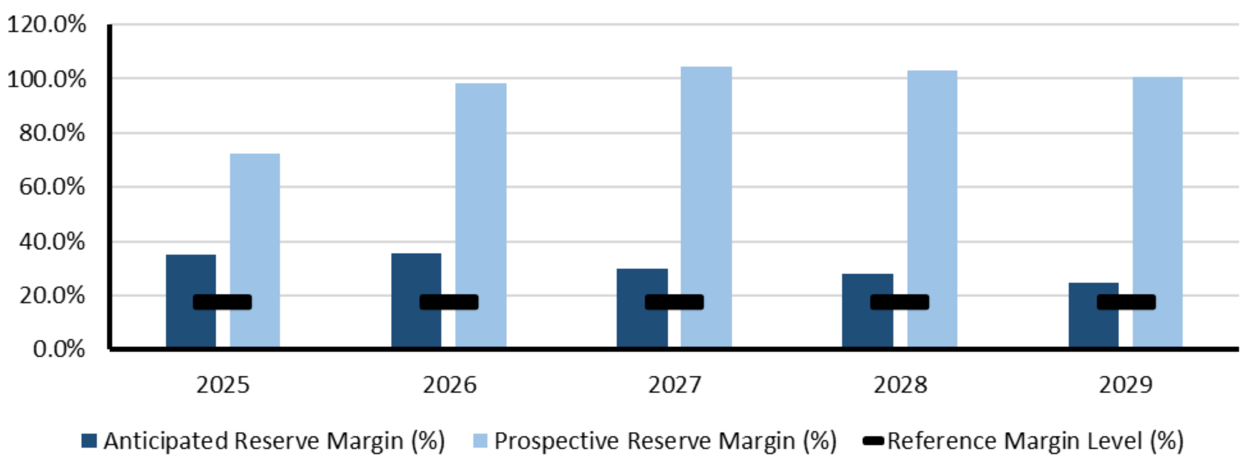
This project, expected to increase transfer capability between Québec and New York by 1,250 MW, is under construction. It involves the construction of a ±400 kV dc underground transmission line about 60 kilometers (37 miles) long from the Hertel 735/315 kV substation just south of Montréal to the Canada-United States border. The project will connect to the Champlain Hudson Power Express project (CHPE) in New York state. From the international border crossing, the dc transmission line will be extended 339 miles to a substation in Astoria, NY, where the power will be converted from dc to ac. The project in Québec also includes the construction of an ac to dc converter at the Hertel substation. The project is expected to be in service in May 2026.

PJM

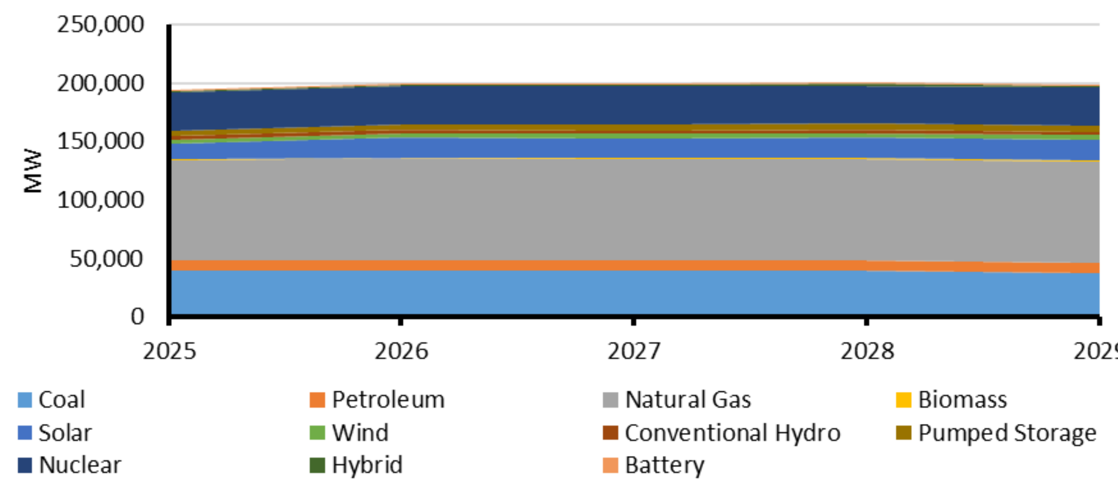
PJM Interconnection is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. PJM serves 65 million customers and covers 369,089 square miles. PJM is a Balancing Authority, Planning Coordinator, Transmission Planner, Resource Planner, Interchange Authority, Transmission Operator, Transmission Service Provider, and Reliability Coordinator.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	153,493	156,803	159,859	162,972	165,681	167,873	170,008	172,109	174,366	176,822
Demand Response	7,554	7,693	7,808	7,913	8,000	8,083	8,162	8,230	8,312	8,400
Net Internal Demand	145,939	149,110	152,051	155,059	157,681	159,790	161,846	163,879	166,054	168,422
Additions: Tier 1	11,056	17,047	17,139	17,784	17,911	18,155	18,155	18,155	18,155	18,155
Additions: Tier 2	55,112	93,845	112,827	122,781	127,059	131,113	131,287	133,652	133,652	133,652
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	4,502	4,347	0	0	0	0	0	0	0	0
Existing-Certain and Net Firm Transfers	185,828	185,270	180,552	180,552	178,577	178,577	178,577	178,577	178,577	178,577
Anticipated Reserve Margin (%)	34.9%	35.7%	30.0%	27.9%	24.6%	23.1%	21.6%	20.0%	18.5%	16.8%
Prospective Reserve Margin (%)	72.4%	98.3%	104.7%	103.3%	100.5%	96.5%	94.1%	92.9%	82.1%	79.5%
Reference Margin Level (%)	17.7%	17.7%	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM remains above the RML until 2034 when it falls below the 17.6% RML level.
- PJM implemented a number of changes to the 2023 load forecasting process to improve model accuracy, switching from an annual to monthly end-use model for PJM's sector models to better determine heating, cooling, and other non-weather-sensitive load and moving to an hourly model to better capture new technologies and peak shifting. Additionally, higher expectations for data center loads now incorporate 15-year forecasts from impacted electric distribution companies (EDC).
- PJM's review of recent policies (e.g., state laws and federal environmental initiatives) indicates over 32 GWs of potential deactivations through 2034. The pace of retirements is being driven in large part by these state laws and federal environmental initiatives that create a clear near-term, date-certain requirement for generation to comply or retire. Conversely, there are multiple mandates with renewable portfolio standards (RPS) that account for the majority of over 150 GWs submitted projects.

PJM Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Coal	39,735	39,735	39,325	39,325	37,747
Coal*	39,394	39,394	33,313	28,240	25,124
Petroleum	8,810	8,514	8,514	8,514	8,117
Natural Gas	85,541	87,245	87,245	87,245	87,245
Natural Gas*	85,541	87,245	87,228	87,228	87,228
Biomass	928	928	928	928	928
Solar	13,349	16,770	16,908	17,621	17,754
Wind	3,017	3,512	3,507	3,507	3,507
Conventional Hydro	2,934	2,922	2,934	2,934	2,944
Pumped Storage	5,189	5,189	5,189	5,189	5,189
Nuclear	32,535	32,535	32,535	32,535	32,535
Hybrid	1,315	1,742	1,739	1,739	1,739
Battery	393	982	982	994	994
Total MW	193,747	200,074	199,807	200,532	198,699
Total MW*	193,406	199,733	193,779	189,430	186,060
*** Capacity with additional generator retirements.** Generators that are forecasted to retire by PJM are removed from the resource projection where marked.					

PJM Assessment

Planning Reserve Margins

The ARM does not fall below the RML in PJM until 2034. PJM's growing demand profile and a change in resource mix that favors VERs, however, present a new level of risk.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

PJM is forecasting around 30% installed reserves (including expected committed demand resources), which is well above the target installed reserve margin of 17.7% necessary to meet the 1-day-in-10-years LOLE criterion. Due to the current low penetration of energy-limited and VERs in PJM relative to PJM's peak load, the hour with most loss of load risk remains the hour with highest forecasted demand. To address future reliability concerns due to growing VER penetration and limitations associated with the performance of those resources, PJM's Effective Load Carrying Capability methodology calculates the reliability and energy contribution of limited and variable resources.

Some of PJM's assumptions for determining the resource mix to use in the ProbA differ from those used in developing the LTRA. Only a portion of the Tier 1 resource additions are used in the ProbA to more accurately reflect historical rates of development. Additionally, more generator retirements are used in the ProbA based on PJM's generator forecasting. These assumptions are more consistent with the assumptions included in official studies performed by PJM to support its capacity market. In addition, the information in the ProbA for winter seasons refers to the Winter 2026–2027 and Winter 2028–2029 because PJM's studies are based on "delivery years," which start on June 1 of a year and end on May 31 of the subsequent year.

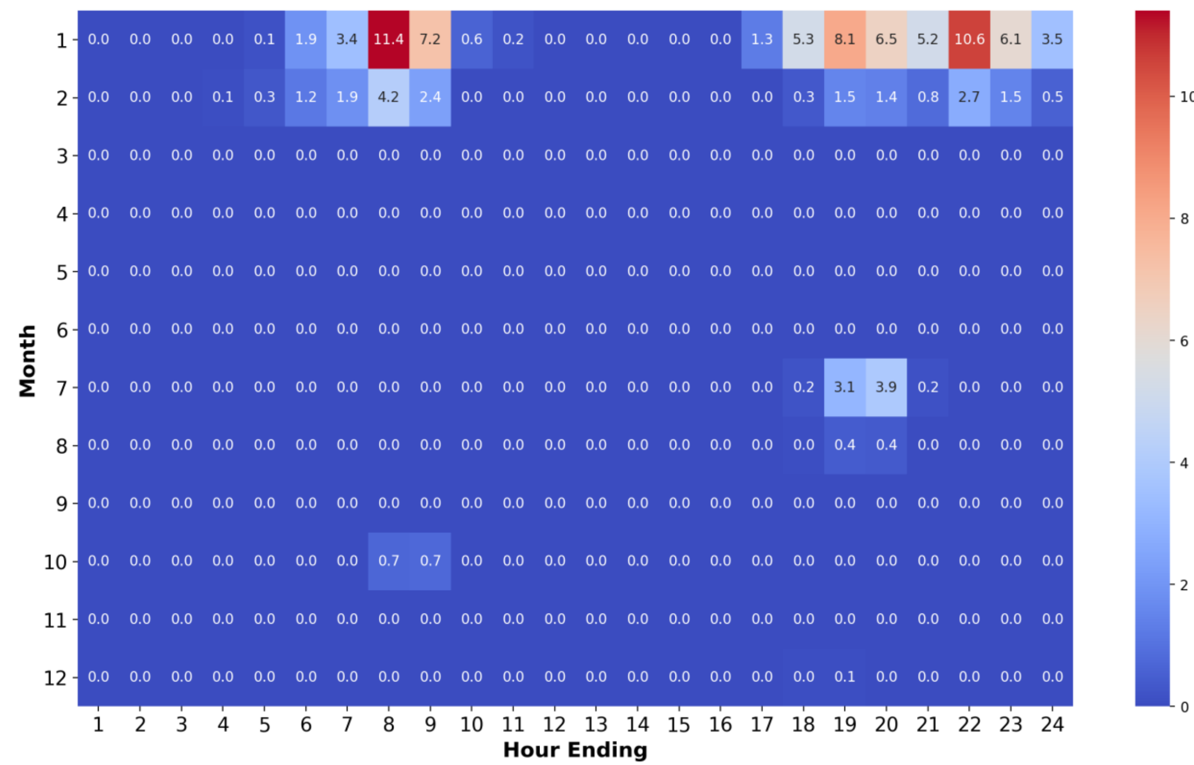
Results of the 2024 ProbA are provided in the table below.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.00	**537.52**	**1043.44**
EUE (PPM)	0.00	**0.00**	**0.00**
LOLH (hours per year)	0.00	**0.11**	**0.22**
Operable On-Peak Margin	29.0%	**17.8%**	**17.7%**

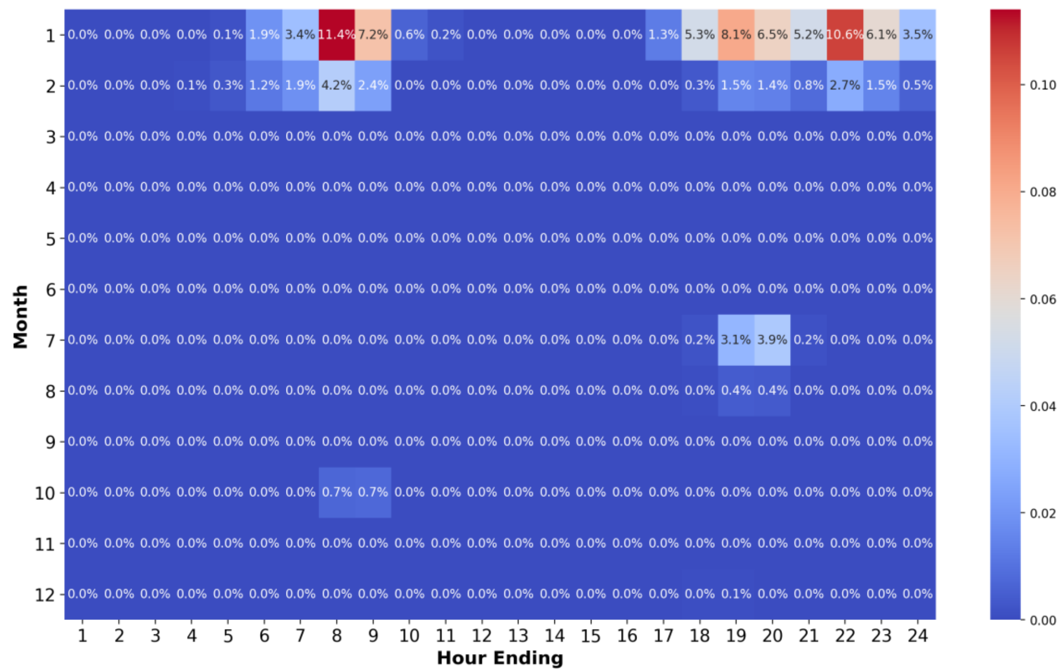
* Provides the 2022 ProbA Results for Comparison

In both 2026 and 2028, most EUE and LOLH are concentrated in the winter months (especially January), as shown in the following EUE heat maps. The risk occurs in days when temperatures are very low, which results in high loads across the assessment area. If resource performance were to occur at the levels expected during average winter days, the system should be able to serve these high loads. However, resource performance from thermal resources on very cold days, especially natural gas resources, is more likely to be poor. This, coupled with poor performance from solar resources, results in very low total electricity supply and causes loss-of-load events in the ProbA analysis. The winter load-loss events tend to occur during morning and evening demand peaks and coincide with poor thermal performance and poor solar performance.

The smaller shares of EUE and LOLH observed in the summer period for 2026 and 2028 are associated with high temperatures and high loads across the assessment area that drive load-loss events in the evening (hours ending 19 and 20) as grid-connected and BTM solar resource output declines. Low performance of wind resources and, to a lesser extent, slightly worse performance of thermal resources, also contribute to the load-loss events in the analysis.



2026 EUE Heat Map (Share of Annual EUE in %)



2028 EUE Heat Map (Share of Annual EUE in %)

PJM implemented capacity reforms (approved by FERC) at the start of 2024, which include using the loss-of-load model employed to perform the ProbA, as well as accreditation reforms based on the risk patterns identified by said model, for the capacity auctions starting with delivery year 2025–2026.

Demand

PJM is experiencing large growth in data centers that are in turn driving higher demand forecasts. Loudoun County, Virginia, in the PJM assessment area, is home to "Data Center Alley," the largest concentration of data centers in the world. Electrification in transportation, heating, and industrial sectors is also spurring demand growth.

The PJM Interconnection produces an independent peak load forecast of total internal demand using econometric regression models with daily load as the dependent variable and independent variables including calendar effects, weather, economics, and end-use characteristics. PJM annually reviews its load forecast methodology and implements changes when improvements are identified.

Summer peak load growth in PJM is projected to average 1.6% per year over the next 10-year period and 1.6% over the next 15 years. The PJM summer peak is forecasted to be 176,822 MW in 2034, a 10-year increase of 25,575 MW, and reaches 190,752 MW in 2039, a 15-year increase of 39,505 MW. Annualized 10-year growth rates for individual zones range from 0% to 5.5% with a median of 0.5%.

Winter peak load growth for PJM is projected to average 1.9% per year over the next 10-year period and 1.8% over the next 15 years. The PJM regional transmission organization winter peak load in 2033–2034 is forecasted to be 163,069 MW, a 10-year increase of 28,410 MW, and reaches 176,195 MW in 2038–2039, a 15-year increase of 41,536 MW. Annualized 10-year growth rates for individual zones range from 0% to 5.0% with a median of 0.7%.

Net energy for load growth for PJM is projected to average 2.3% per year over the next 10-year period and 2.2% over the next 15 years. Total PJM energy is forecasted to be 1,021,955 GWh in 2034, a 10-year increase of 208,627 GWh, and reaches 1,120,928 GWh in 2039, a 15-year increase of 307,600 GWh. Annualized 10-year growth rates for individual zones range from 0.1% to 7.3% with a median of 0.7%.

Demand-Side Management

DR resources can participate in all PJM markets—capacity, energy, and ancillary services. DR is forecast to grow during summer peak season from 7,550 MW in 2025 to 8,400 MW in 2034.

Distributed Energy Resources

PJM expects 4,470 MW of solar DERs at the time of the peak in 2029 and 5,103 MW in 2034. The effects of solar DERs are included in the load forecast for PJM. No effect of solar DERs is incorporated in the winter load forecast since winter expected peak occurs after sundown.

Generation

Overall, new generation is coming on-line slower than anticipated. Generator retirements are outpacing the new generation replacing them. As a result, PJM could face future resource adequacy challenges, impacting system reliability and PJM's ability to serve load. PJM could be at risk of facing resource adequacy challenges if these trends continue. PJM has applied an 11% reduction to the nameplate value of Tier 1 resources to reflect the historical rate of slower-than-anticipated addition of new generation.

PJM reviews the progression of generation interconnection to understand overall developer trends more fully and their impact on the interconnection process. Of new and expanded generation resources submitted in Queue A (1999) through December 31, 2023, 74,294 MW (or 15.8%) reached commercial operation, 33,166 MW (or 7%) were withdrawn from the interconnection process after Interconnection Service Agreement (ISA) execution, and 1,560 MW (or 0.3%) were withdrawn after wholesale market participant agreement (WMPA) execution but before construction. Overall, 20.4% of projects that requested uprates to existing capacity reached commercial operation.

Stakeholders at the June 6, 2023, Interconnection Process Subcommittee meeting approved an issue charge to examine how to enhance transfer of CIRs, which allow new generation to interconnect as a capacity resource, from deactivating resources to new generation. The goal is to develop a solution that both improves the efficiency of the process and clarifies that it applies to all energy-injecting capacity resource types. The existing provisions in the PJM Tariff, and related defined terms included in the Reliability Assurance Agreement (RAA), governing the CIR transfer process will be clarified to reduce confusion as to which capacity resource types the transfer process applies.

PJM's existing installed capacity reflects a fuel mix consisting of approximately 48% natural gas, 22% coal, and 18% nuclear. Hydro, wind, solar, oil, and waste fuels constitute the remaining 12%. A diverse generation portfolio reduces the system risk associated with fuel availability and reduces dispatch price volatility. Totaling nearly 125,000 MW of CIRs, renewable and hybrid fuels are changing the landscape of PJM's interconnection process. Solar energy makes up 40% of the new service requests in PJM's generation interconnection queue. State policies encouraging renewable generation are contributing to the rise in solar generation interconnection requests.

PJM's review of recent policies indicates over 32 GWs of potential deactivations through 2034. The pace of retirements is being driven in large part by state laws and federal environmental initiatives that create a clear near-term, date-certain requirement for generators to comply or retire. See *Energy Transition in PJM: Resource Retirements, Replacements, and Risks* (February 2023). Conversely, there are multiple mandates with RPS that account for the majority of over 150 GWs in submitted projects. Growing levels of intermittent and limited duration resources, such as wind, solar, and battery storage, do not replace conventional large-scale generation installations megawatt-for-megawatt but rather require multiple megawatts to replace one megawatt of dispatchable generation due to their limited availability in certain hours of the day and seasons of the year. Many megawatts from a range of generation technologies, available at different times, are required to replace a megawatt of thermal generating capacity. Looking out over the next 8 to 10 years of the energy resource transition, maintaining an adequate level of generation resources with operational and physical characteristics that support reliability will be crucial for PJM's ability to serve electrical demand reliably.

Energy Storage

Energy storage development continues in PJM. As solar generation increases in PJM, growth of storage is expected to follow since storage devices are frequently co-located with solar projects. Efficient grid operations in an era of rapid renewable energy resource growth will require greater system flexibility. Energy storage can offer grid operators another tool to maintain stable power supply under varying wind and solar power output driven by weather conditions or unit outages. Storage can also improve grid efficiency by increasing utilization of existing transmission lines. PJM continues to work with members, Department of Energy (DOE) national laboratories, and other industry entities to advance the use of energy storage and, in particular, enable its participation in PJM markets.

Today, there are approximately 177 GWs of solar, wind, battery, and hybrid in the PJM interconnection queue. Hybrid resources make up approximately 26 GWs and standalone storage makes up approximately 28 GWs.

Some developers are pairing storage with variable, renewable generation, such as solar or wind, to create opportunistic revenue streams. The pairing is either co-located (in which the storage facility and the generator facility are sited on the same parcel of land but each has its own connection to the grid) or hybrid (in which the storage facility and generator share a common connection to the grid).

Capacity Transfers

PJM does not rely on significant transfers to meet resource adequacy requirements. Maximum transfer (total transmission interchange capability) into PJM would amount to less than 2% of PJM's internal generation capability. At no time within this assessment period does the ARM get anywhere near 2%. PJM reliability would not be negatively affected if transfers were dropped to zero.

Transmission

PJM's Regional Transmission Expansion Plan (RTEP) continues to manage an unprecedented capacity shift driven by federal and state public policy and broader fuel economics. This shift is characterized by new wind and solar generating units driven by federal and state renewable incentives, generating plant deactivations, and market impacts introduced by DR and EE programs. As of December 31, 2023, renewable resources continue to represent a significant portion of PJM's new services requests.

The PJM board approved 48 new baseline projects during 2023 at an estimated $6.6 billion to ensure that fundamental system reliability criteria across the grid are met. The board also approved the inclusion of 93 new network transmission projects at an estimated $180 million into the RTEP.

Reliability Issues

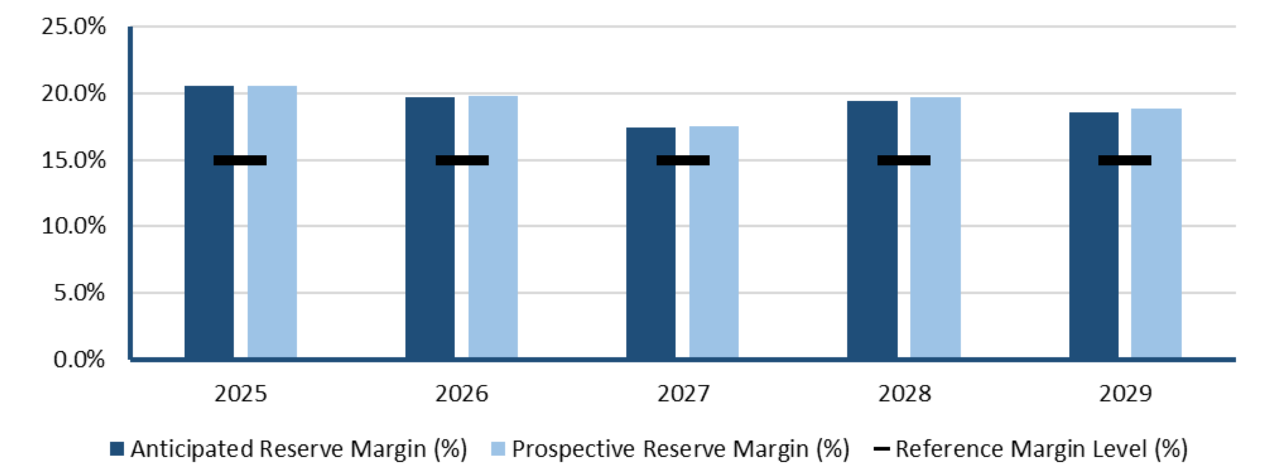
PJM's 2023 *Load Forecast Report* addressed the impact of industry changes that are reshaping system hourly loads. As a result, the level and timing of coincident peak and non-coincident peak demands across PJM have begun to shift. Solar-power penetration, expected impacts of EVs, state electrification programs, home battery storage, and a significant increase in data center loads are markedly increasing the complexity of PJM's load forecasting process. Driven by discrete and localized load growth, like Data Center Alley in Loudoun County, Virginia, in 2022, PJM and stakeholders conducted a review of data center load growth and identified growth rates of over 300% in some instances. As a result, the 2023 PJM *Load Forecast Report* incorporates adjustments to specific zones for data center load growth.

SERC-Central

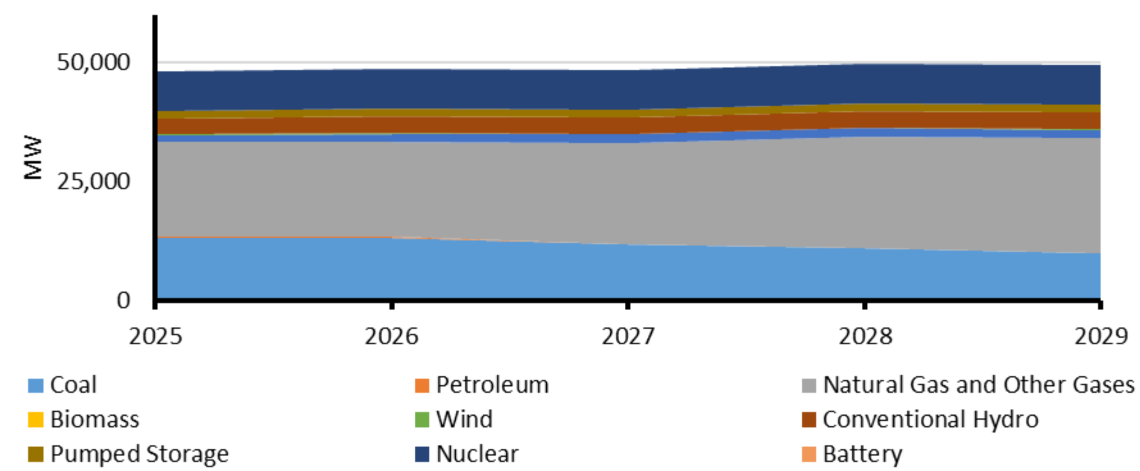
SERC-Central is an assessment area within the SERC Regional Entity. SERC-Central includes all of Tennessee and portions of Georgia, Alabama, Mississippi, Missouri, and Kentucky. Historically a summer-peaking area, SERC-Central is beginning to have higher peak demand forecasts in winter. SERC is one of the six companies across North America that are responsible for the work under FERC-approved delegation agreements with NERC. SERC 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 Balancing Authorities, 28 Planning Authorities, and 6 Reliability Coordinators.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	42,983	43,202	43,399	43,384	43,440	43,636	43,725	43,913	44,077	44,316
Demand Response	1,859	1,856	1,852	1,849	1,847	1,844	1,842	1,840	1,839	1,837
Net Internal Demand	41,124	41,346	41,547	41,535	41,593	41,792	41,883	42,074	42,239	42,479
Additions: Tier 1	1,123	1,540	2,970	4,983	5,841	5,841	5,841	7,609	8,935	9,598
Additions: Tier 2	20	20	20	120	120	120	120	120	120	120
Additions: Tier 3	135	263	415	1,118	3,395	4,198	4,965	5,368	5,745	6,198
Net Firm Capacity Transfers	1,240	765	190	-288	-288	-288	-288	-287	-287	-287
Existing-Certain and Net Firm Transfers	48,437	47,962	45,813	44,608	43,478	43,191	43,191	42,224	42,224	41,153
Anticipated Reserve Margin (%)	20.5%	19.7%	17.4%	19.4%	18.6%	17.3%	17.1%	18.4%	21.1%	19.5%
Prospective Reserve Margin (%)	20.8%	20.0%	17.7%	19.7%	18.9%	17.6%	17.4%	18.8%	21.4%	19.8%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM remains above the 15% target RML for the assessment period.
- Projected coal generation retirements total 4,399 MW in the next 10 years. Resource additions include 6,838 MW of natural gas, 75 MW of BESS, and 760 MW of solar generation over the next 10 years.
- New transmission line additions total 209 miles through 2028. The entities also plan to upgrade 185 miles of transmission lines through 2031 to enhance system reliability by supporting voltage and relieving challenging flows.

SERC-Central Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	**2026**	**2027**	**2028**	**2029**
Coal	13,348	13,348	11,774	11,047	9,917
Coal*	13,048	13,348	11,146	10,013	8,883
Petroleum	148	148	148	148	148
Natural Gas	19,857	19,857	21,287	23,300	24,158
Natural Gas*	19,476	19,476	20,906	22,919	23,777
Biomass	36	36	36	36	36
Solar	1,338	1,706	1,706	1,706	1,706
Wind	172	172	172	172	172
Conventional Hydro	3,393	3,393	3,393	3,393	3,393
Pumped Storage	1,673	1,673	1,673	1,673	1,673
Nuclear	8,280	8,280	8,280	8,280	8,280
Battery	75	125	125	125	125
Total MW	48,319	48,737	48,593	49,879	49,607
Total MW*	47,639	48,356	47,584	48,464	48,192
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

SERC-Central Assessment

Planning Reserve Margins

The future reserve margins are above the RML for SERC-Central.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

The 2024 ProbA results shown in the table below indicate negligible unserved energy and load-loss. Analysis of detailed ProbA outputs shows that that this negligible risk occurring in 2026 is associated with hot summer conditions and upper levels of economic load forecast models.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.00	**0.10**	**0.00**
EUE (PPM)	0.00	**0.00**	**0.00**
LOLH (hours per year)	0.00	**0.00**	**0.00**
Operable On-Peak Margin	18.4%	**13.2%**	**14.9%**

* Provides the 2022 ProbA Results for Comparison

Demand

Drivers of load growth are commercial expansion, electrification of heating and transportation, and growth in residential load. Entities expect to continue to have increased economic growth that will drive both population and employment to the SERC-Central assessment area, but these gains in employment are slightly offset by improvements in efficiency.

Distributed Energy Resources

SERC entities continue to monitor DER penetration levels, assess the impacts of DERs, and incorporate these impacts in system studies. Unlike directly modeled transmission-connected resources, DERs (e.g., rooftop solar, plug-in EVs) are netted against load in the Energy Management System and transmission planning models. Some entities are beginning to use software to develop DER projections of rooftop solar. DER resource output is modeled at various levels to account for load scenarios. The overall amount of rooftop solar is small compared to the utility-scale projects.

Generation

Projected coal generation retirements total 4,399 MW in the next 10 years. Resource additions include 6,838 MW of natural gas, 75 MW of BESS, and 760 MW of solar generation over the next 10 years.

Generator retirements are carefully managed by entities in the SERC-Central assessment area. Entities perform studies to determine the impacts of confirmed or unconfirmed retirements. Entities incorporate these studies into resource plans that highlight the significance of future generation projects. Additionally, there are no significant retirement plans that will affect reliability.

Capacity Transfers

Entities participate in the SERC committees and study groups to perform power transfer studies of the system within the SERC geographic area. These studies include evaluating transfer limitations between all assessment areas within the Region for the existing or planned system configuration and with normal (pre-contingency) operating procedures in effect, such that all facility loading is within normal ratings and all voltages are within normal limits.

Transmission

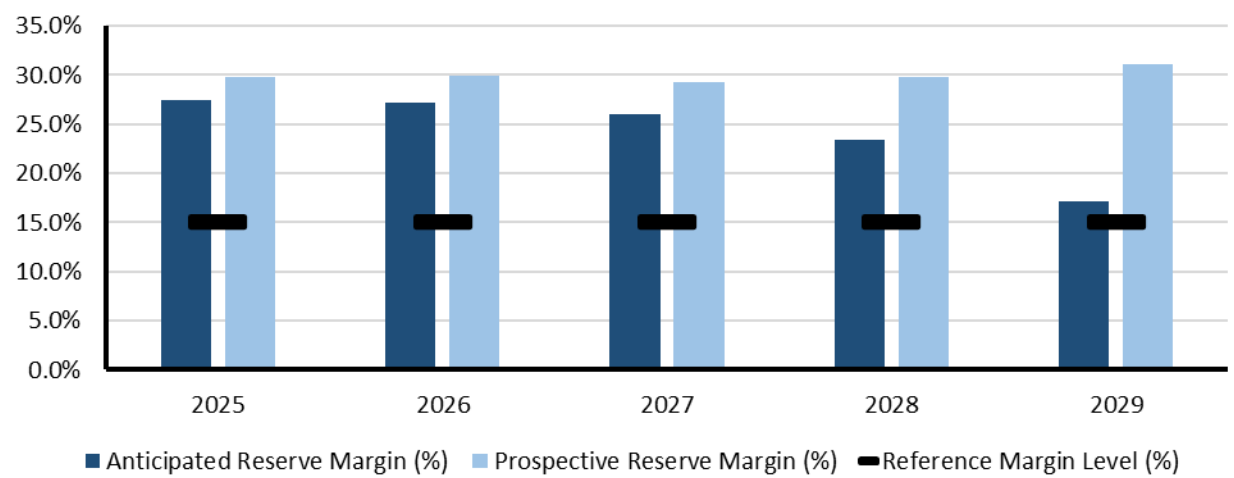
The entities reported a total addition of 209 miles of new transmission lines until 2028. The entities are also planning to upgrade 185 miles of transmission lines in the next 10 years to enhance system reliability by supporting voltage and relieving challenging flows. Other projects include adding new transformers, upgrading existing transmission lines, storm hardening, and other system reconfigurations/additions to support transmission system reliability. Entities do not anticipate any transmission limitations or constraints with significant impacts on reliability.

SERC-East

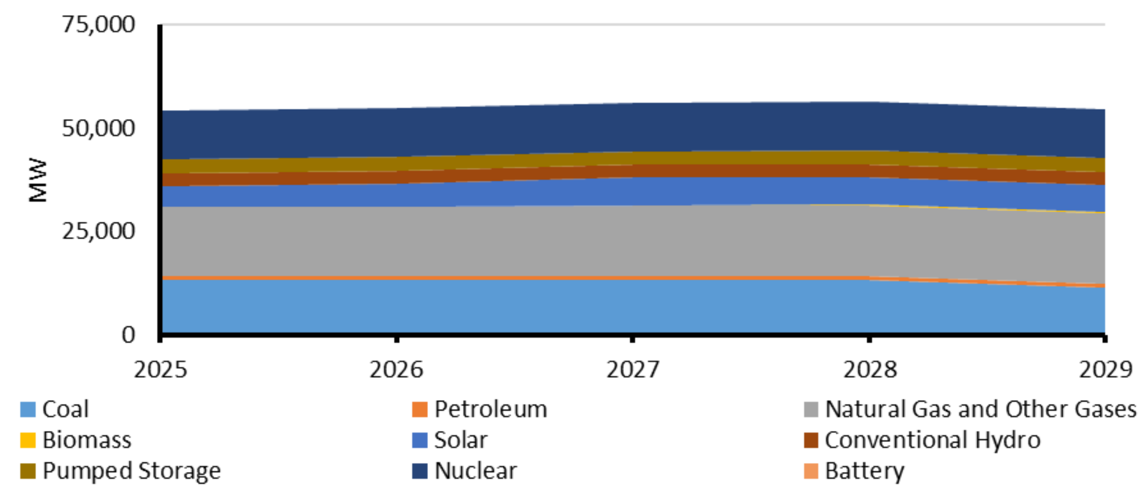
SERC-East is an assessment area within the SERC Regional Entity. SERC-East includes North Carolina and South Carolina. Historically a summer-peaking area, SERC-East is beginning to have higher peak demand forecasts in winter. SERC is one of the six companies across North America that are responsible 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 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 Balancing Authorities, 28 Planning Authorities, and 6 Reliability Coordinators.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	44,099	44,789	46,308	47,378	48,286	49,533	50,349	50,896	51,741	52,155
Demand Response	1,092	1,186	1,214	1,225	1,228	1,229	1,230	1,231	1,232	1,233
Net Internal Demand	43,007	43,603	45,094	46,153	47,058	48,304	49,119	49,665	50,509	50,922
Additions: Tier 1	772	1,330	2,777	2,818	2,818	2,818	2,818	2,818	2,818	2,818
Additions: Tier 2	38	217	506	1,975	5,577	8,032	9,766	11,595	13,978	16,767
Additions: Tier 3	0	0	0	0	0	0	0	0	0	0
Net Firm Capacity Transfers	593	593	593	593	593	593	593	593	593	593
Existing-Certain and Net Firm Transfers	54,039	54,129	54,045	54,118	52,301	52,395	51,316	49,998	49,998	48,636
Anticipated Reserve Margin (%)	27.4%	27.2%	26.0%	23.4%	17.1%	14.3%	10.2%	6.3%	4.6%	1.0%
Prospective Reserve Margin (%)	29.8%	30.0%	29.3%	29.8%	31.1%	33.0%	32.1%	31.7%	34.2%	35.9%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM remains above the RML until 2030 when it falls below the 15.0% RML level.
- Since the *2023 LTRA*, solar PV resources have grown from 1.5 GW to an expected 4.7 GW by the end of 2024.

SERC-East Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Coal	13,150	13,150	13,150	13,150	11,333
Coal*	13,108	12,564	12,564	11,910	10,093
Petroleum	1,044	1,044	992	992	992
Petroleum*	1,044	1,044	868	868	868
Natural Gas	16,627	16,717	17,061	17,121	17,121
Natural Gas*	16,601	16,691	17,061	17,121	17,121
Biomass	176	176	176	176	176
Solar	4,995	5,553	6,624	6,665	6,665
Conventional Hydro	3,102	3,102	3,102	3,102	3,102
Pumped Storage	3,324	3,324	3,324	3,324	3,324
Nuclear	11,795	11,795	11,795	11,808	11,808
Battery	6	6	6	6	6
Total MW	54,218	54,866	56,229	56,343	54,526
Total MW*	54,150	54,254	55,519	54,979	53,162
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

SERC-East Assessment

Planning Reserve Margins
The ARM falls below the RML starting in 2030 for SERC-East. Projected demand is expected to increase around 8.75% from 2024 to 2028 in the footprint.

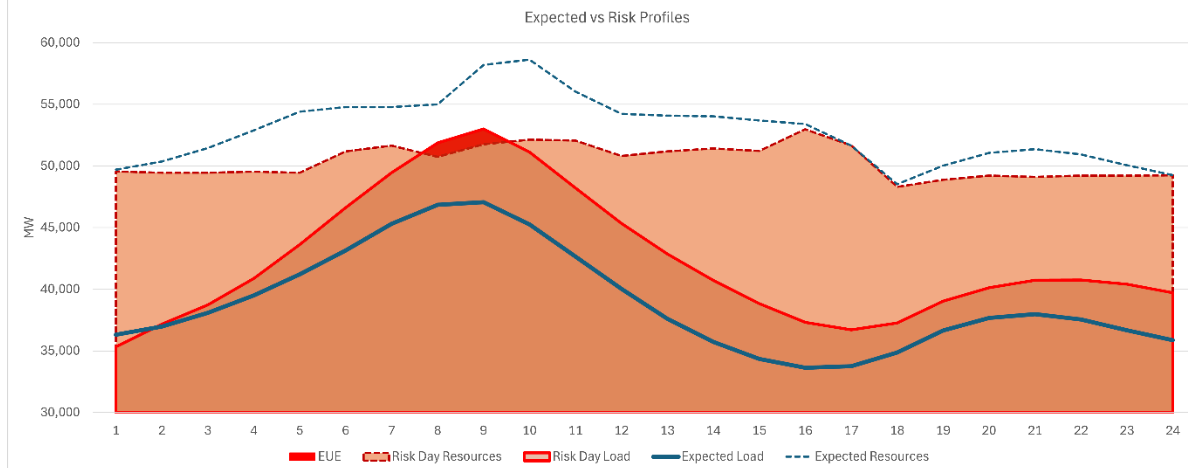
Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments
SERC-East has an elevated risk of energy shortages based on results of the 2024 ProbA shown in the table below.

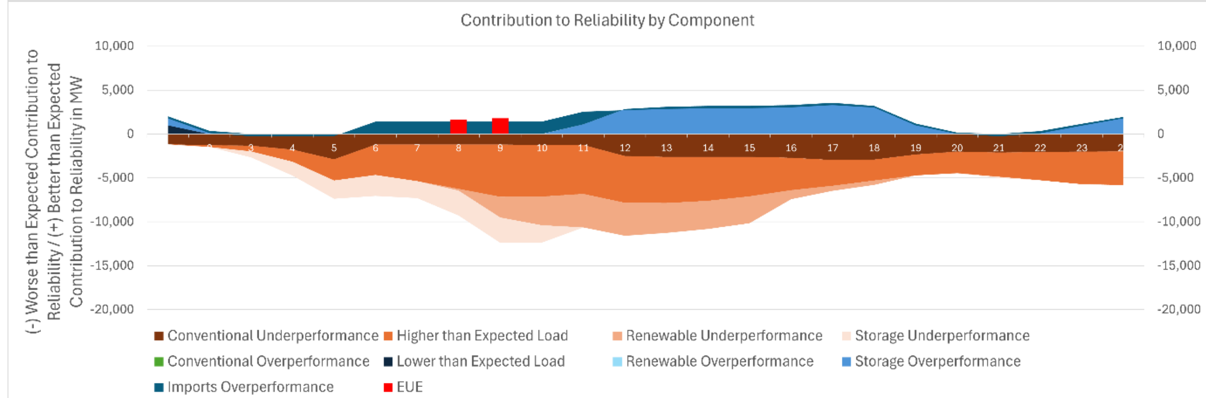
Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	92.49	**143.35**	**207.26**
EUE (PPM)	0.39	**0.60**	**0.81**
LOLH (hours per year)	0.08	**0.09**	**0.17**
Operable On-Peak Margin	16.1%	**14.2%**	**11.1%**

* Provides the 2022 ProbA Results for Comparison

SERC-East has changed from a summer-peaking assessment area to a dual-peaking assessment area, with both a summer and winter peak. The addition of solar PV generation shaves off summer peak demand, and a trend toward electrification of heating drives up winter peak demand. The ProbA results for 2026 indicate some risk for SERC-East in the winter months of January and February. The annual EUE is 143.35 MWh but for a very short, expected duration of 0.09 hours. The risk occurs during winter morning hours around 8:00 a.m. due to a combination of higher loads and solar resources not yet ramped up. For extreme cold weather events that might impact a wide geographical footprint, there is also a limit on imports from neighboring areas.

For 2028, SERC-East continues to show winter risk with 207.26 MWh of EUE and 0.17 hours of LOLH. The load is expected to grow by over 2%. The load-loss events in the analysis are for very few hours and short duration, occur around 8:00 a.m., and are tied to extreme weather, higher forecasted load levels, and lower resource performance. This can be seen in the following figures showing the risk profile and resource performance for a likely event-day.





Demand
Population growth is driving demand forecast increases in SERC-East. Entities expect faster-than-average growth in the urban areas and overall increasing energy and demand in the 10-year forecast. While the economic indicators used in the forecast have growth rates that vary during each year, the economic outlook will contribute to increased energy and demand over the 10-year forecast. Some entities project their EE adoption to impact roughly 1% of annual retail sales (after opt-outs) during the 10-year forecast.

There are also many large commercial/industrial loads accounted for in the forecast that have been announced or in discussions with the entities to locate in the service territory. If the large sites come to fruition, it will drive significant increases in energy and demand during the later part of the 10-year forecast.

The projected EV adoptions are driving energy and demand increases during the later part of the 10-year forecast window. EVs are currently the most significant contributor of all electrification sources (e.g., heating, industrial) in the 10-year forecast.

Distributed Energy Resources

SERC entities continue to monitor DER penetration levels, assess the impacts of DERs, and incorporate these impacts in system studies. Unlike directly modeled transmission-connected resources, DERs (e.g., rooftop solar, plug-in EVs) are netted against load in the Energy Management System and transmission planning models. Some entities are beginning to use software to develop DER projections of rooftop solar. DER resource output is modeled at various levels to account for load scenarios. The overall amount of rooftop solar is small compared to the utility-scale projects.

Capacity Transfers

Entities participate in the SERC committees and study groups to perform power transfer studies of the system within the SERC geographic area. These studies include evaluating transfer limitations between all assessment areas for the existing or planned system configuration and with normal (pre-contingency) operating procedures in effect, such that all facility loading is within normal ratings and all voltages are within normal limits.

Transmission

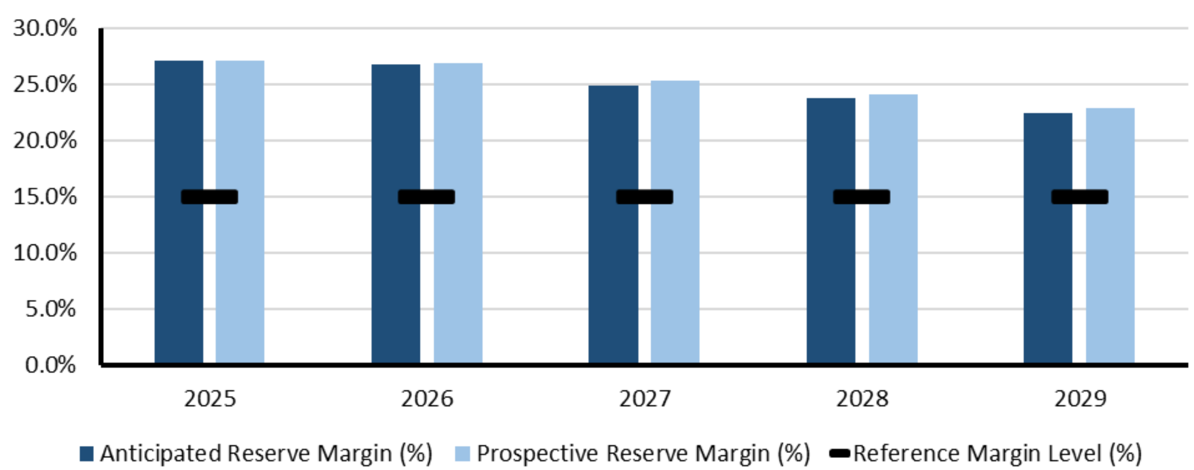
The entities reported a total addition of 286 miles of new transmission lines through 2028. The entities are also planning to upgrade 515 miles of transmission lines through 2031 to enhance system reliability by supporting voltage and relieving challenging flows. Other projects include adding new transformers, upgrading existing transmission lines, storm hardening, and other system reconfigurations/additions to support transmission system reliability. Entities do not anticipate any transmission limitations or constraints with significant impacts on reliability.

SERC-Florida Peninsula

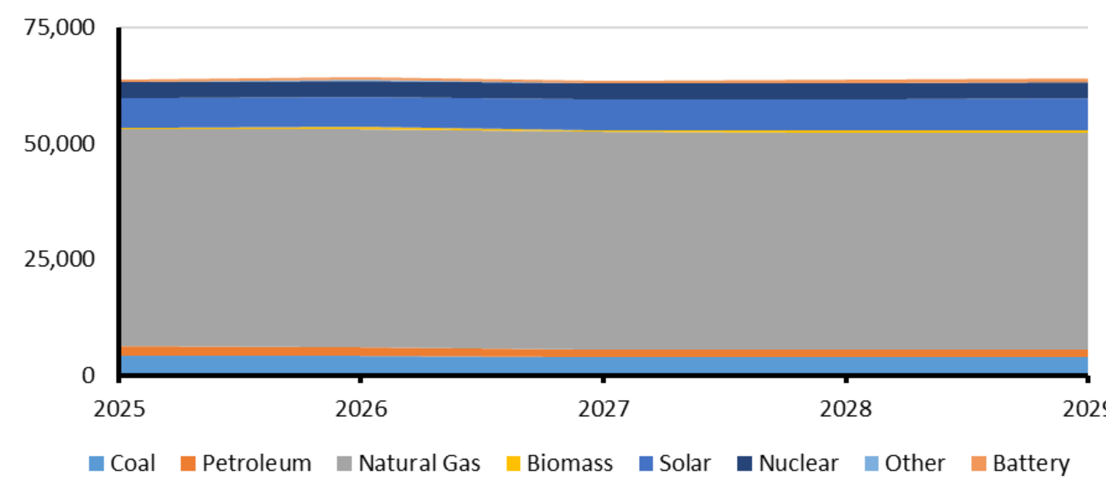
SERC-Florida Peninsula is a summer-peaking assessment area within SERC. SERC is one of the six companies across North America that are responsible for the work under FERC-approved delegation agreements with NERC. SERC is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central 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 Balancing Authorities, 28 Planning Authorities, and 6 Reliability Coordinators.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	53,509	53,795	54,015	54,551	55,250	55,879	56,593	57,612	58,631	59,679
Demand Response	2,840	2,834	2,837	2,820	2,806	2,795	2,783	2,771	2,761	2,748
Net Internal Demand	50,669	50,961	51,178	51,731	52,444	53,084	53,810	54,841	55,870	56,931
Additions: Tier 1	871	1,497	1,573	1,785	2,018	3,421	3,927	4,545	4,547	4,549
Additions: Tier 2	0	40	200	200	200	200	200	200	200	200
Additions: Tier 3	0	39	39	39	39	39	39	39	39	39
Net Firm Capacity Transfers	494	293	293	200	200	200	200	200	200	200
Existing-Certain and Net Firm Transfers	63,521	63,121	62,366	62,230	62,230	61,725	61,725	61,493	61,493	61,493
Anticipated Reserve Margin (%)	27.1%	26.8%	24.9%	23.7%	22.5%	22.7%	22.0%	20.4%	18.2%	16.0%
Prospective Reserve Margin (%)	27.1%	26.9%	25.3%	24.1%	22.9%	23.1%	22.4%	20.8%	18.6%	16.4%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM remains above the 15% target RML for the assessment period.
- Projected coal generation retirements total 459 MW in the next 10 years. Tier 1 additions include 484 MW of natural gas, 1,560 MW of BESS, and 1,792 MW of solar generation over the next 10 years.
- New transmission line additions total 668 miles through 2030. The entities also plan to upgrade 256 miles of transmission lines through 2031 to enhance system reliability by supporting voltage and relieving challenging flows.

SERC-Florida Peninsula Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Coal	4,367	4,367	3,908	3,908	3,908
Coal*	3,341	3,779	2,851	2,851	2,851
Petroleum	1,957	1,852	1,724	1,724	1,724
Petroleum*	1,892	1,786	1,477	1,477	1,477
Natural Gas	46,860	47,012	46,844	46,801	46,801
Biomass	310	310	310	310	310
Solar	6,255	6,635	6,711	6,853	6,997
Nuclear	3,502	3,502	3,502	3,502	3,502
Other	9	9	9	9	9
Battery	638	638	638	708	797
Total MW	63,898	64,324	63,646	63,815	64,048
Total MW*	62,807	63,671	62,343	62,512	62,745
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

SERC-Florida Peninsula Assessment

Planning Reserve Margins

The ARM is not expected to fall below the RML for any period of the assessment period.

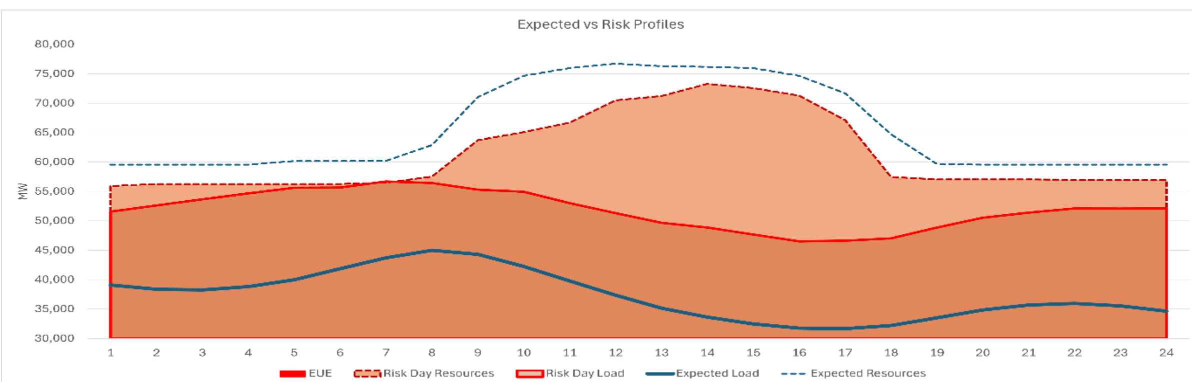
Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

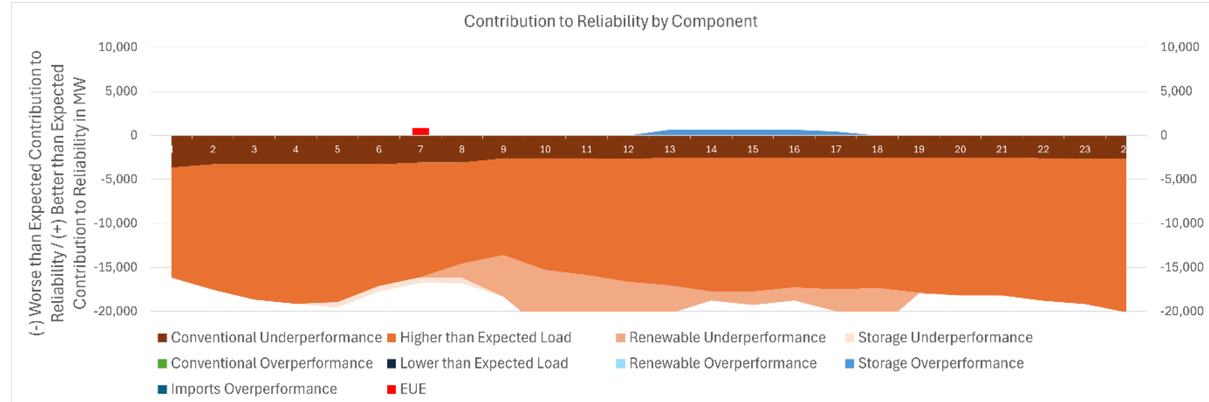
The 2024 ProbA results shown in the table below indicate negligible unserved energy and load loss. Analysis of detailed ProbA outputs shows that that the negligible risk in year 2026 is associated with hot late-summer or early fall conditions, high generator forced outages, and upper levels of economic load forecast models. The risk occurs in evening hours around 7:00 p.m. when contribution from solar generation is limited.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	1.13	**2.18**	**16.28**
EUE (PPM)	0.00	**0.01**	**0.06**
LOLH (hours per year)	0.00	**0.01**	**0.02**
Operable On-Peak Margin	18.6%	**19.2%**	**16.3**

* Provides the 2022 ProbA Results for Comparison

For study year 2028, the ProbA results shows very low risk with 16.28 MWh of EUE and 0.02 LOLH hours. The driver of the risk is mainly extreme winter weather, similar to conditions from 1989, when Florida experienced one of the worst winter freezes on record. With higher load levels and lower resources in 2028, the low risk shifts to late December, occurring in morning hours when contribution from solar generation is limited, and is associated with winter freeze events that limit imports.





Demand

The individual entities within the FL-Peninsula Subregion develop their load forecasts and the Florida Reliability Coordinating Council (FRCC) then aggregates these forecasts to calculate a non-coincident seasonal peak for the subregion. Each entity adjusts their forecasts annually to account for their actual peak demands, updated economic outlooks, population growth, weather patterns, conservation and energy efficiency efforts, and electric appliances usage patterns. Based on the data reported in the 2023 FRCC Regional Load and Resource Plan, the net energy for load (NEL) and summer peak demands are forecasted to grow when compared to previous forecasts. The current average annual growth rate for the NEL is 0.97% per year. Firm summer and winter peak demand growth are expected to increase to 1.19% and 1.17%, respectively.

Demand-Side Management

Controllable DR from interruptible and dispatchable load management programs within the FL-Peninsula Subregion is treated as a load-modifier, and it is projected to be constant at approximately 6% of the summer and winter total peak demands for all years of the assessment period.

Distributed Energy Resources

SERC entities continue to monitor DER penetration levels, assess the impacts of DERs, and incorporate these impacts in system studies. Unlike directly modeled transmission-connected resources, DERs (e.g., rooftop solar, plug-in EVs) are netted against load in the Energy Management System and transmission planning models. Some entities are beginning to use software to develop DER projections of rooftop solar. DER resource output is modeled at various levels to account for load scenarios. The overall amount of rooftop solar is small compared to the utility-scale projects.

Generation

Generator retirements are carefully managed by entities in the SERC-Florida Peninsula assessment area. Entities perform studies to determine the impacts of confirmed or unconfirmed retirements. Entities incorporate these studies into resource plans that highlight the significance of future generation projects. Additionally, there are no significant retirement plans that will affect reliability.

Energy Storage

Electricity storage (ES) is still a growing capacity contributor in the assessment area. Over the next 10 years, a total of approximately 2,900 MW of ES generation is projected to be in service by 2032 and is included in the utilities' 10-year site plans (approximately 775 MW by 2029).

Individual entities in the assessment area that have installed or are projecting the installation of ES are developing operating protocols on the use and dispatch of these facilities. ES units are studied as part of the normal generation interconnection process and included in other FRCC studies and processes with members providing individual dispatch profiles and study levels in order to identify potential operational impacts.

Capacity Transfers

Entities participate in the SERC committees and study groups to perform power transfer studies of the system within the SERC geographic area. These studies include evaluating transfer limitations between all assessment areas for the existing or planned system configuration and with normal (pre-contingency) operating procedures in effect, such that all facility loading is within normal ratings and all voltages are within normal limits.

Transmission

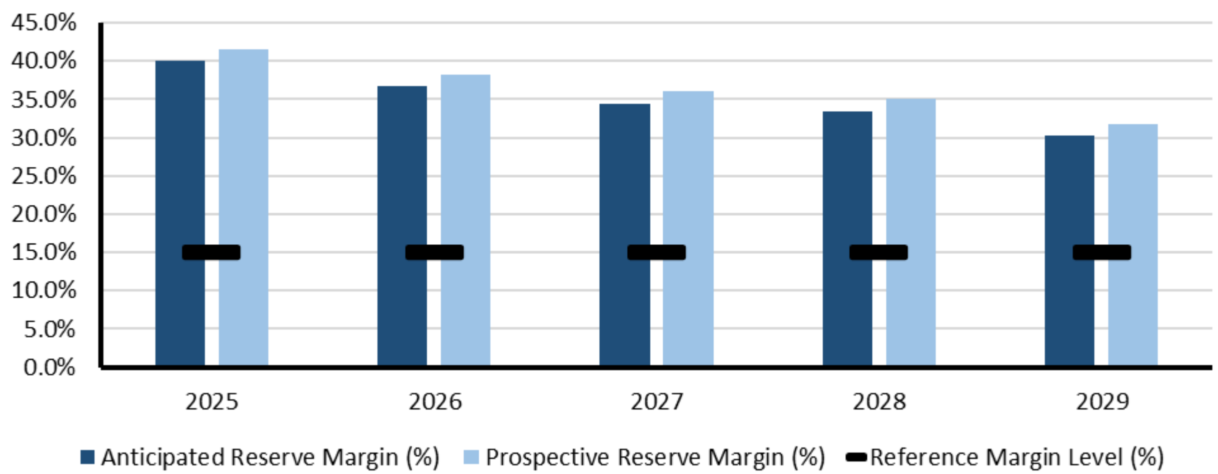
The entities reported a total addition of 668 miles of new transmission lines through 2030. The entities are also planning to upgrade 256 miles of transmission lines through 2031 to enhance system reliability by supporting voltage and relieving challenging flows. Other projects include adding new transformers, upgrading existing transmission lines, storm hardening, and other system reconfigurations/additions to support transmission system reliability.

SERC-Southeast

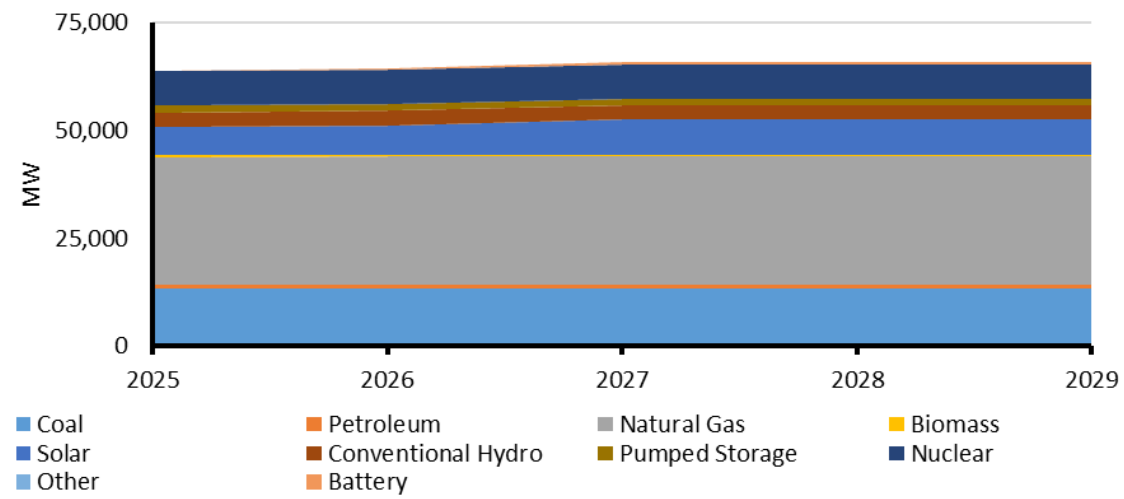
SERC-Southeast is a summer-peaking assessment area within the SERC Regional Entity. SERC-Southeast includes all or portions of Georgia, Alabama, and Mississippi. SERC is one of the six companies across North America that are responsible for the work under FERC-approved delegation agreements with NERC. SERC is specifically responsible for the reliability and security of the electric grid across the southeastern and central 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 Balancing Authorities, 28 Planning Authorities, and 6 Reliability Coordinators.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	46,984	48,384	50,467	50,852	51,974	53,031	53,794	54,233	54,677	55,078
Demand Response	1,633	1,666	1,723	1,755	1,875	1,876	1,875	1,875	1,876	1,876
Net Internal Demand	45,351	46,718	48,744	49,097	50,099	51,155	51,919	52,358	52,801	53,202
Additions: Tier 1	1,248	1,486	3,050	3,050	3,050	3,129	3,129	3,129	3,129	3,129
Additions: Tier 2	105	105	218	218	218	218	218	218	218	218
Additions: Tier 3	366	366	366	366	366	366	366	366	366	366
Net Firm Capacity Transfers	-392	-392	-392	-392	-684	-684	-684	-684	-684	-684
Existing-Certain and Net Firm Transfers	62,257	62,413	62,472	62,472	62,180	62,180	62,180	62,180	62,180	62,180
Anticipated Reserve Margin (%)	40.0%	36.8%	34.4%	33.5%	30.2%	27.7%	25.8%	24.7%	23.7%	22.8%
Prospective Reserve Margin (%)	41.5%	38.2%	36.0%	35.0%	31.7%	29.2%	27.3%	26.2%	25.1%	24.2%
Reference Margin Level (%)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM remains above the 15% target RML for the assessment period.

SERC-Southeast Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Coal	13,275	13,275	13,275	13,275	13,275
Coal*	13,275	13,275	12,271	10,321	10,321
Petroleum	915	915	915	915	915
Petroleum*	915	915	915	899	899
Natural Gas	29,639	29,795	29,854	29,854	29,854
Natural Gas*	29,564	29,387	29,446	28,426	28,426
Biomass	424	424	424	424	424
Solar	6,597	6,835	8,021	8,021	8,021
Conventional Hydro	3,293	3,293	3,293	3,293	3,293
Pumped Storage	1,632	1,632	1,632	1,632	1,632
Nuclear	8,018	8,018	8,018	8,018	8,018
Battery	105	105	483	483	483
Total MW	63,897	64,291	65,914	65,914	65,914
Total MW*	63,822	63,883	64,502	61,516	61,516
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

SERC-Southeast Assessment

Planning Reserve Margins

The future reserve margins are above the RMLs for SERC-Southeast.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

The 2024 ProbA results shown in the table below indicate negligible unserved energy and load loss.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0.00	**0.00**	**0.00**
EUE (PPM)	0.00	**0.00**	**0.00**
LOLH (hours per year)	0.00	**0.00**	**0.00**
Operable On-Peak Margin	30.8%	**29.6%**	**25.6%**

* Provides the 2022 ProbA Results for Comparison

Demand

Data centers, cryptocurrency facilities, and large commercial and industrial load are driving demand forecast growth in the assessment area. Metro areas are experiencing a higher growth rate compared to rural areas.

Demand-Side Management

Entities within the SERC-Southeast assessment area use a variety of controllable and dispatchable DR programs to reduce peak demand. One entity manages a voluntary DSM water heater program designed to allow system operators to control the appliances' usage during peak demand periods. Another entity monitors and dispatches DR programs commensurate with contract terms. Annual ELCC simulations are performed to determine the capacity value for each unique and active DR program. An adjustment to that capacity value is then made based on predicted customer response when the program is called or dispatched.

Distributed Energy Resources

SERC entities continue to monitor DER penetration levels, assess the impacts of DERs, and incorporate these impacts in system studies. Unlike directly modeled transmission-connected resources, DERs (e.g., rooftop solar, plug-in EVs) are netted against load in the Energy Management System and transmission planning models. Some entities are beginning to use software to develop DER projections of rooftop solar. DER resource output is modeled at various levels to account for load scenarios. The overall amount of rooftop solar is small compared to the utility-scale projects.

Generation

Generator retirements are carefully managed by entities in the SERC-Southeast assessment area. Entities perform studies to determine the impacts of confirmed or unconfirmed retirements. Entities incorporate these studies into resource plans that highlight the significance of future generation projects. Additionally, there are no significant retirement plans that will affect reliability.

Capacity Transfers

Entities participate in the SERC committees and study groups to perform power transfer studies of the system within the SERC geographic area. These studies include evaluating transfer limitations between all assessment areas within the Region for the existing or planned system configuration and with normal (pre-contingency) operating procedures in effect, such that all facility loading is within normal ratings and all voltages are within normal limits.

Transmission

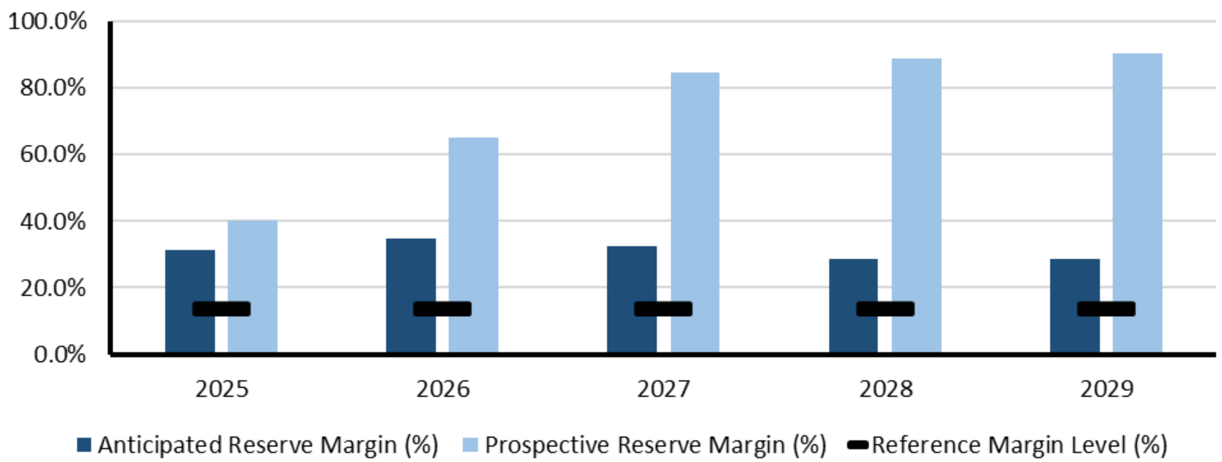
The entities reported a total addition of 1,078 miles of new transmission lines in the next 10 years. The entities are also planning to upgrade 694 miles of transmission lines during this time to enhance system reliability by supporting voltage and relieving challenging flows. Other projects include adding new transformers, upgrading existing transmission lines, storm hardening, and other system reconfigurations/additions to support transmission system reliability.

Texas RE-ERCOT

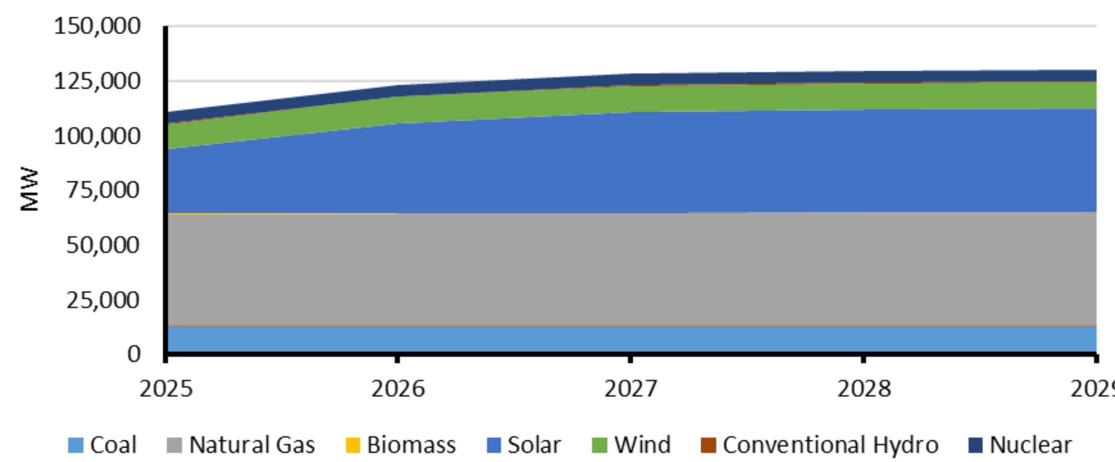
The Electric Reliability Council of Texas (ERCOT) is the ISO for the Texas Interconnection and is located entirely in the state of Texas; it operates as a single BAand performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for nearly 8 million premises 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 people. Texas RE is responsible for the Regional Entity functions described in the Energy Policy Act of 2005 for ERCOT.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	88,873	95,721	101,405	105,417	106,365	106,951	106,772	106,463	106,062	106,961
Demand Response	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652
Net Internal Demand	86,220	93,069	98,753	102,765	103,713	104,298	104,119	103,811	103,410	104,309
Additions: Tier 1	11,187	23,684	28,725	29,226	29,903	29,903	29,903	29,903	29,903	29,903
Additions: Tier 2	7,281	27,876	51,414	62,225	65,786	65,939	65,939	65,939	65,939	65,939
Additions: Tier 3	7,252	17,627	29,082	41,174	45,318	47,062	47,062	47,062	47,062	47,062
Net Firm Capacity Transfers	20	20	20	20	20	20	20	20	20	20
Existing-Certain and Net Firm Transfers	101,906	101,645	102,003	103,088	103,338	103,338	103,338	103,338	103,338	103,338
Anticipated Reserve Margin (%)	31.2%	34.7%	32.4%	28.8%	28.5%	27.8%	28.0%	28.3%	28.8%	27.7%
Prospective Reserve Margin (%)	40.3%	65.2%	84.6%	88.8%	90.3%	88.8%	89.1%	89.7%	90.4%	88.8%
Reference Margin Level (%)	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- Generation resources, primarily solar PV, continue to be added to the grid in Texas in large quantities, increasing ARMs but also elevating concerns of energy risks that result from the variability of these resources and the potential for delays in implementation. The summer ARM is above the RML (13.75%) for all 10 years of this assessment period (2025–2034). The ARM peaks at 34.7% by Summer 2026, reflecting the expected addition of about 23,680 MW of Tier 1 capacity, most of which is solar PV.

- The Public Utility Commission of Texas (PUCT) established a reliability standard and accompanying reliability assessment process in August 2024. The reliability standard is based on multiple probabilistic reliability measures that capture the different dimensions of loss-of-load events: average event frequency (LOLE), maximum event duration, and maximum event magnitude. ERCOT will begin performing reliability assessments required by the new standard in 2026.

- ERCOT's summer peak demand is forecast to increase by 4.6% per year from 2025 through 2029. In comparison, the five-year summer peak demand growth projection for the *2023 LTRA* was 1.1%. This high growth level is driven by a large amount of newly contracted loads planned for interconnection during this period. These contracted loads are mainly comprised of Permian Basin oil and gas production facilities, data centers, crypto-mining operations, and industrial facilities.

Texas RE-ERCOT Projected Generating Capacity by Energy Source in Megawatts (MW)

	2025	2026	2027	2028	2029
Coal	13,568	13,568	13,568	13,568	13,568
Coal*	13,568	13,568	12,913	12,353	12,353
Petroleum	10	10	10	10	10
Natural Gas	50,568	50,694	50,845	51,458	51,458
Natural Gas*	49,709	49,928	48,823	49,436	49,436
Biomass	163	163	163	163	163
Solar	29,557	41,201	45,984	46,485	47,163
Wind	11,332	11,908	12,166	12,166	12,166
Conventional Hydro	458	458	458	458	458
Nuclear	4,973	4,973	4,973	4,973	4,973
Total MW	110,628	122,975	128,167	129,281	129,958
Total MW*	109,769	122,208	125,490	126,044	126,721

*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.

Texas RE-ERCOT Assessment

Planning Reserve Margins

The summer ARM is above the RML (13.75%) for all 10 years of this assessment period (2025–2034). The ARM peaks at 34.7% by Summer 2026, reflecting the expected addition of about 23,680 MW of Tier 1 capacity, most of which is solar PV. However, the high reserve margin belies concerns over the continuing trend toward less fully dispatchable resources and more IBRs like solar PV and wind. While thermal resource availability and adequate gas supplies are still concerns during extreme winter weather events, the fleet performed well during Winter Storm Heather in January 2024, indicating that new weatherization standards, fully implemented in 2023, are effective.

Non-Peak Hour Risk and Energy Assurance

The PUCT established a reliability standard and accompanying reliability assessment process in August 2024. The reliability standard is based on multiple probabilistic reliability measures that capture the different dimensions of loss-of-load events: average event frequency (LOLE), maximum event duration, and maximum event magnitude. The latter two measures have an "exceedance tolerance," which is the maximum acceptable percentage frequency of loss-of load events that exceed the permissible thresholds based on a probabilistic simulation.

For non-winter months, ERCOT continues to experience the highest reserve scarcity risk during the early evening hours—peaking at hour ending (HE) 9:00 p.m.—based on probabilistic modeling of monthly peak load days. The elevated risk is due to the drop-off in solar generation and continued higher loads during those hours. The summer peak load hour continues to be 5:00 p.m. For winter, the peak load hour is HE 8:00 a.m. Risk modeling indicates elevated reserve scarcity risk for the morning hours (HE 7:00 a.m. to 9:00 a.m.) as well as the early evening hours.

ERCOT is experiencing transmission limitations as a result of load growth and resource development that affect energy delivery. On March 1, 2024, ERCOT introduced four new Interconnection reliability operating limits (IROL) in the South Texas region. This consists of two South Texas import constraints and two South Texas export constraints, which, if violated, could result in a thermal cascading condition. This is the first thermal IROL that could lead to a cascading condition in the Texas RE-ERCOT Region and has been attributed to the increase in generation capacity in South Texas and the rapid load growth in central Texas. To manage the South Texas export constraint, generation in South Texas must be curtailed to maintain transmission line flows below 100% of the impacted lines' thermal ratings. The risk of such curtailments, which is highest for the hours with the highest net peak loads (early evening), is included in the monthly probabilistic reserve risk assessments. ERCOT has approved two San Antonio Reliability projects that are expected to be completed in 2027 and should help alleviate some of risk drivers associated with these IROLs.

Probabilistic Assessment

Results of the 2024 ProbA are shown in the table below.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	1,235	**11,090**	**781**
EUE (PPM)	2.63	**18.95**	**1.12**
LOLH (hours per year)	0.30	**1.57**	**0.16**
Operable On-Peak Margin	35.9%	**28.8%**	**46.9%**

* Provides the 2022 ProbA Results for Comparison

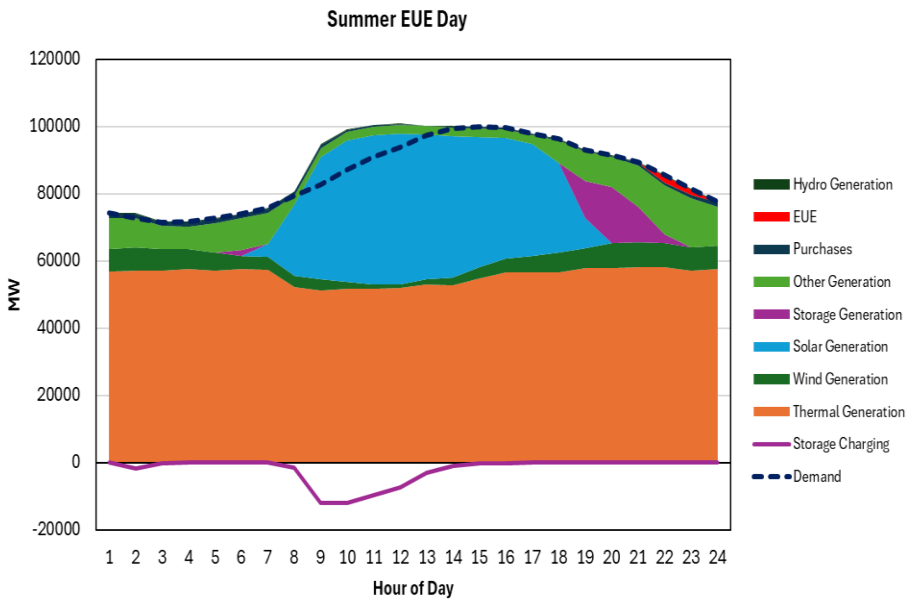
Increasing reliability risk in ERCOT is primarily driven by increasing large load demand anticipated from data centers, Bitcoin operations, continued load growth in oil and gas-producing areas (such as the Permian Basin), and growth in industrial facilities. Over 20 GW of newly contracted large loads, in addition to other organic load growth, is projected to be added to ERCOT by 2028. ERCOT also anticipates 1,860 MW of fossil-fueled plant capacity to be retired by Summer 2028. New planned units are primarily renewable and storage, which exhibit declining marginal reliability contributions. The reliability forecasts provided by this ProbA assessment for 2028 include resource capacity contributions from expansion planning analysis conducted for ERCOT's 2024 *Long-Term System Assessment*. While there is uncertainty around the deployment of these resources, the large load demand growth is also uncertain and large loads are subject to various requirements for being integrated into the grid.

All SERVM simulations for ERCOT and surrounding regions impose all relevant generator temporal constraints, including operating limitations on conventional units as well as state-of-charge on batteries, so this assessment accounts for energy adequacy. However, this assessment does assume fuel for conventional units will be available when needed.[35]

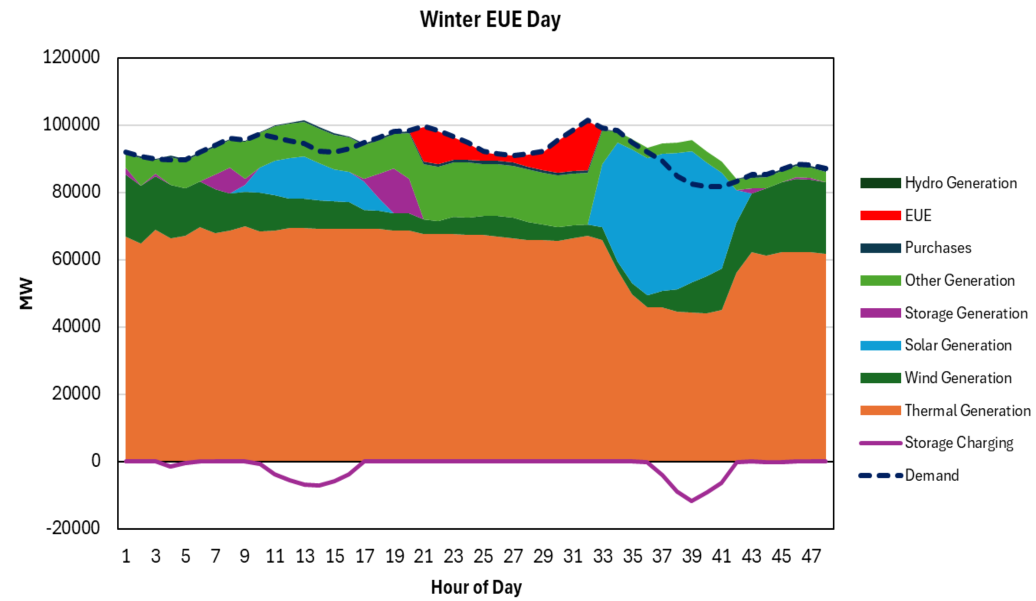
The unique characteristics of winter risk vs. summer risk can be seen in the following charts of a representative risk day. While peak winter loads can persist for 48 hours or longer, peak summer

[35] ERCOT and several other entities used SERVM software tool to perform the ProbA. Information about SERVM can be found at the company's website.

periods generally only last for a few hours. This has significant implications for the duration and depth of firm load-shed events in the winter as well as for the reliability contribution of energy limited and non-dispatchable resources. The most extreme winter event modeled for 2026 was 16 hours in duration and 29 GW in depth. The illustration below indicates a winter EUE event with duration >12 hours while most summer events were 1–2 hours in duration.



Metric	2026 Summer	2026 Winter	2028 Summer	2028 Winter
LOLE (days/year)	0.38	0.51	0.05	0.04
LOLH (hours/year)	1.41	1.57	0.18	0.16
EUE (MWh)	10,985	11,090	857	781
Max Hourly EUE (MWh)	29,124	29,266	17,762	16,851
Max EUE Duration (Hr)	15	16	12	11



From the hourly event data, ERCOT provided a multi-metric summary of the largest event showing the highest magnitude and longest-duration, as shown in the following figure.

Demand

ERCOT's long-term load forecast consists of the following individual components: (1) a base forecast that uses an econometric model with estimation data comprising 15 historical weather years, economic drivers, calendar information, and historical loads, (2) a roof-top PV forecast, (3) an EV forecast, a large flexible load forecast (crypto-mining facilities), and new "large loads" with a signed interconnection contract with their transmission or distribution service provider. Forecasts are provided for eight weather zones as well as system coincidental and non-coincidental demands. ERCOT's summer peak demand is forecast to increase by 4.6% per year from 2025 through 2029. In comparison, the five-year summer peak demand growth projection for the *2023 LTRA* was 1.1%. This high growth level is driven by a large amount of newly contracted loads planned for interconnection during this period. These contracted loads are mainly comprised of Permian Basin oil and gas production facilities, data centers, crypto-mining operations, and industrial facilities. (A negligible amount of new contracted loads reported by transmission service providers occur past 2029). The base peak load, which excludes these new contracted loads as well as load reductions due to rooftop solar installations, grows at a more modest 1.4%.

A major load forecasting change from last year is a new Texas Legislature requirement to include non-contracted loads in transmission planning studies. Non-contracted loads lack a signed Interconnection or facility expansion agreement. ERCOT's previous practice had been to exclude these more speculative loads from the load forecast. The non-contracted loads total about 3.6 GW for summer 2025 and reach about 31.7 GW by 2029. The non-contracted loads are not included in the LTRA's peak load forecast. ERCOT is evaluating how these non-contracted forecasted loads will be handled for future resource adequacy and other planning activities.

Demand-Side Management

Most of the demand-side resources available to ERCOT are dispatchable in the form of noncontrollable load resources providing responsive reserve service and ERCOT's Emergency Response Service. The ERCOT Emergency Response Service consists of 10- and 30-minute ramping DRs and distributed generation that can first be deployed when physical responsive reserves drop to 3,000 MW and are not projected to be recovered above 3,000 MW within 30 minutes following the deployment of non-spin reserves. Responsive reserve is provided by industrial loads and is procured on an hourly basis in the day-ahead market. During 2023, load resources started to participate in two other ancillary services, the Non-Spinning Reserve Service and ERCOT Contingency Reserve Service (ECRS), which are used to help balance the system during periods when there may be net-load ramps that cannot be met with conventional supply-side resources.

The remaining dispatchable DR available to ERCOT is from the transmission and distribution service providers' (TDSP) load management programs. These programs provide price incentives for voluntary load reductions from commercial, industrial, and residential loads during energy emergency alert events.

Distributed Energy Resources

DERs that register with ERCOT to participate in wholesale energy and/or ancillary services markets are modeled and dispatched in ERCOT transmission planning studies similarly to transmission-connected resources participating in those markets. For DERs not participating in those markets, ERCOT relies on member TDSPs to provide information about individual DERs on their systems for shorter-term reliability and economic impact studies, typically a one-to-six-year timeframe.

A bill was approved in the 88th Texas Legislature (HB 3390) that outlines new DER reporting responsibilities. The bill authorizes ERCOT to require TDSPs to provide unregistered DER information that ERCOT deems necessary for grid reliability assessment. ERCOT is now developing annual data collection and maintenance processes.

A multi-phase aggregated DER (ADER) pilot program was implemented in 2022. As of May 2024, there were two ADERs with 13 MW of dispatchable capability actively participating in the pilot project with another nine ADERs in various stages of registration/qualification.

Generation

Natural-gas-fired generation makes up approximately 45% of the available generation inside the ERCOT footprint. Approximately 6% of the natural-gas-fired generation demonstrates firm fuel capabilities as part of ERCOT's Firm Fuel Supply Service required by the PUCT.

ERCOT has established formal working relationships with grid generators' fuel suppliers to gather operational and delivery information useful for its control room operators. ERCOT has focused the efforts on two fronts: (1) obtaining real-time (or near real-time) information on the health of the natural gas systems that serve the generators and (2) maintaining communication with pipelines to notify ERCOT of any planned or unplanned events that could impact deliveries to generators.

After the 2021 Odessa event, ERCOT intensified its efforts to find corrective measures to enhance the ride-through performance of IBRs and improve overall system resilience. The study, which recommended installing synchronous condensers at six locations in West Texas, has been completed, and the ERCOT board of directors endorsed the project in December 2023. The project is expected to be in service in 2027.

ERCOT has proposed new grid code requirements for IBRs to improve voltage ride-through (VRT) performance to align with IEEE Standard 2800. The proposed grid code requirements are continuing to go through ERCOT's stakeholder approval process. Until new rules go into effect, IBRs will be expected to maximize VRT capability and address existing performance failures (such as by reducing maximum output).

To provide an incentive to build new dispatchable resources, the PUCT adopted a new rule to establish a generation loan program, one of four incentive programs under the recently established Texas Energy Fund (TEF). The other three programs within the TEF include completion bonus grants for new dispatchable generation projects that consistently provide power generation over a 10-year period, grants for companies to establish or secure backup power resources, and grants to improve the resiliency and availability of electric utility service outside the ERCOT region. The TEF has $5 billion available for all four programs. These loans and grants have thus far resulted in 72 applications seeking funding under the TEF loan program. The PUCT staff-recommended portfolio represents 9,781 MW in potential new generation if all recommended applicants were to execute a loan agreement at the requested loan amounts.

Energy Storage

The current installed BESS capacity is 9,149 MW. These systems participate in ERCOT's Energy and Ancillary Service markets. Most have durations in the one-to-two-hour range. ERCOT is seeing an increase in longer-duration systems (three to four hours) to take advantage of energy-shifting and capacity-firming opportunities arising from continued high renewable generation penetration. For the first half of 2024, energy storage provided 87% of ERCOT's regulation up and 91% of responsive reserve service from primary frequency response (RRS-PFR). In June 2023, ERCOT implemented a new ancillary service, the ERCOT Contingency Reserve Service (ECRS), which, in part, is designed to address the ramping needs of the system. This ancillary service product provides additional opportunities for BESS ancillary service participation. To support larger BESS penetration levels, ERCOT submitted new proposed rules for state-of-charge accounting in energy dispatch and reliability unit commitment that are planned for implementation this year.

Based on the latest developer information for projects that are in the interconnection queue, ERCOT expects about 10,500 MW of additional battery energy storage capacity to be operational by year-end 2025. This capacity constitutes projects for which developers have posted financial security to build the interconnection facilities. By year-end 2029, the additional cumulative Tier 1 planned capacity reaches about 20,000 MW.

ERCOT currently assigns a 0% on-peak contribution for battery energy storage. ERCOT has changed its rule to adopt an ELCC methodology for battery storage of various durations. Extending the proposed ELCC methodology for BESS to current and forecasted resources in ERCOT would improve the anticipated reserve margins in the future.

Capacity Transfers

ERCOT has coordination plans in place with neighboring grids. These plans cover dc tie emergency operations, procedures for generators that can switch between grids, and temporary block load transfers.

Transmission

In September, the PUCT approved ERCOT's Permian Basin Reliability Plan. The plan consists of new and upgraded local transmission projects as well as building new import paths to load centers in other areas of the Texas RE-ERCOT region, including options for extra high voltage (EHV) infrastructure operating at 345 kW or 765 kV. The plan supports Permian Basin load growth that is currently expected to reach 24 GW by 2030 and over 26 GW by 2038.

ERCOT's 2023 Regional Transmission Plan (RTP) identified 173 reliability projects, with the majority consisting of 138 kV and 345 kV system upgrades. The 2023 RTP also included an economic assessment of the ERCOT transmission system for years 2025 and 2028 using production cost savings and generator revenue reduction tests.

The substantial increase in new loads from a year ago is expected to present challenges for transmission planning. The forecasted pace of the load growth could exceed the pace at which transmission capacity can be built to support it. ERCOT is working on major changes to its transmission planning process to address these challenges. For example, ERCOT is investigating a "generation hub" concept to indicate optimal generation location to address regional load growth and optimize transmission investments.

A new biennial report on grid resiliency—the Grid Reliability and Resiliency Assessment—evaluates extreme weather scenarios considering different levels of thermal and renewable generation availability and the potential outages caused by extreme weather conditions. The assessment also includes proposed transmission projects that may mitigate regional resiliency risks. The first report will be released by December 31, 2024.

New minimum deliverability criteria were included in ERCOT's 2023 RTP to ensure the deliverability of 100% of generation resource capacity and energy storage resources with a duration greater than or equal to two hours. For storage systems with a duration less than two hours, a prorated deliverability was ensured. Corrective action plans (CAP) were proposed to address any reliability violations under the contingencies defined for the minimum deliverability criteria.

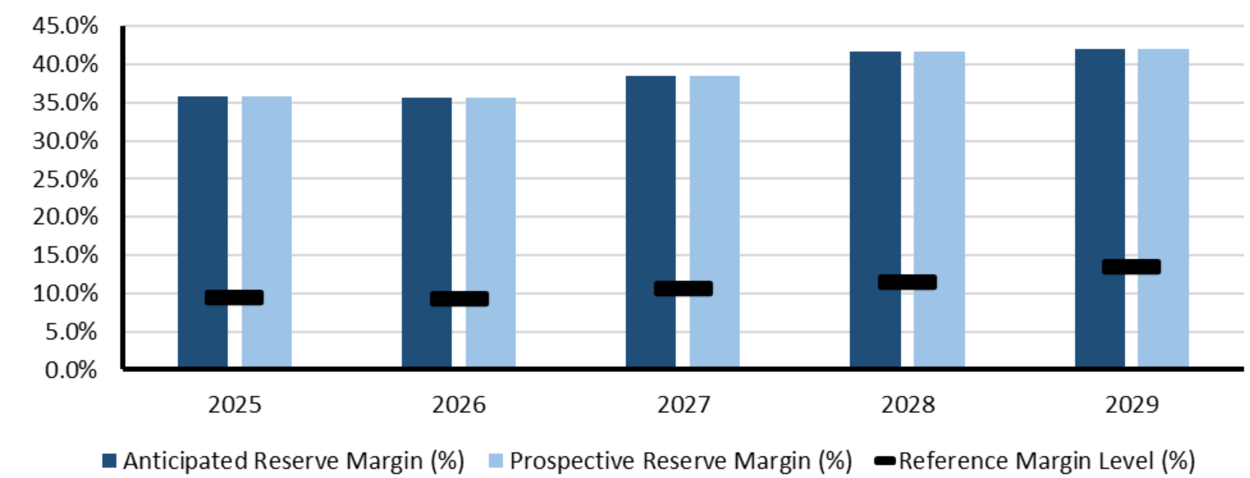
ERCOT has also started implementing the PUCT's amended rules relating to certification criteria and is in the process of integrating a new congestion cost savings test for economic projects evaluation.

WECC-AB

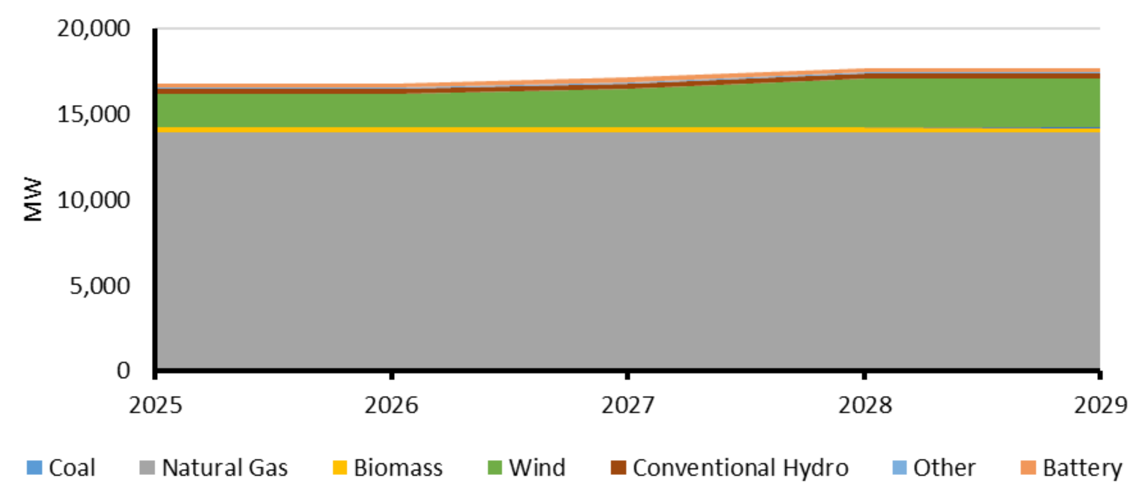
WECC-AB (Alberta) is a winter-peaking assessment area in the WECC Regional Entity that consists of the province of Alberta, Canada. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 Balancing Authorities, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and BC in Canada, the northern portion of Baja California in Mexico, and all or portions of the 14 western U.S. states in between.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	12,411	12,463	12,434	12,510	12,528	12,759	12,831	12,956	12,992	13,076
Demand Response	0	0	0	0	0	0	0	0	0	0
Net Internal Demand	12,411	12,463	12,434	12,510	12,528	12,759	12,831	12,956	12,992	13,076
Additions: Tier 1	3,275	3,275	3,405	3,541	3,537	3,342	3,537	3,441	3,273	3,273
Additions: Tier 2	0	0	0	0	0	0	0	0	0	0
Additions: Tier 3	1,031	1,680	1,824	2,247	2,700	2,502	3,068	3,096	2,744	2,744
Net Firm Capacity Transfers	43	96	69	0	68	396	409	0	0	0
Existing-Certain and Net Firm Transfers	13,578	13,631	13,822	14,182	14,244	13,931	14,585	13,867	13,330	13,330
Anticipated Reserve Margin (%)	35.8%	35.6%	38.5%	41.7%	41.9%	35.4%	41.2%	33.6%	27.8%	27.0%
Prospective Reserve Margin (%)	35.8%	35.6%	38.5%	41.7%	41.9%	35.4%	41.2%	33.6%	27.8%	27.0%
Reference Margin Level (%)	9.4%	9.4%	10.6%	11.5%	13.6%	9.2%	13.2%	11.3%	9.0%	9.0%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM does not fall below the RML during the 2024–2034 timeframe.
- The peak hour of demand for Alberta occurs in the winter. The peak hour for total internal demand is expected to grow from about 12.3 GW in 2024 to 13.1 GW in 2034, a 6.5% load growth over the forecast horizon. The average year-to-year growth rate is 0.62%. There is a slight increase in the load forecast for this year's LTRA versus last year's.
- Despite low resource adequacy risk, operational risk is still present. Ensuring sufficient frequency response capability has been identified as the region's highest priority. Frequency response has been declining in the region due to the increasing share of IBR resources and declining baseload resources. This under frequency load shedding risk is exacerbated in islanded or near-islanded situations.
- Alberta's two remaining coal-fired generators completed their conversion to natural gas this year.

WECC-AB Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030
Natural Gas	13,932	13,932	13,941	13,930	13,920
Biomass	336	336	336	336	336
Wind	1,912	1,912	2,232	2,811	2,799
Conventional Hydro	285	285	303	302	312
Other	81	81	81	81	81
Battery	264	264	264	264	263
Total MW	16,810	16,810	17,157	17,723	17,713

WECC-AB Assessment

Planning Reserve Margins

The ARM does not fall below the RML during the 2024–2034 timeframe. From the 2032–2033 winter onward, Alberta shows a shortfall of existing-certain and net firm transfers. This indicates that imports may be necessary during this timeframe if new resources were to be significantly delayed.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

WECC performs a probabilistic analysis to evaluate the probability distribution curves of demand and resource availability together. The area where those curves overlap represents the possibility that there will not be enough resources available to serve the demand, or the "demand at risk." The greater the overlap area, the greater the likelihood that this will be the case. For this analysis, WECC sets the risk tolerance threshold to the one-day-in-ten-year (ODITY) level, meaning that 99.98% of the demand for each hour is covered by available resources (i.e., the area of overlap is equal to no more than .02% of the total area of the demand curve for any given hour). The overlap—the demand at risk—increases when one or both curves move due to increases to expected demand or decreases to expected resource availability, or a combination of these (the curves maintain their original shape but move closer together, increasing the overlap). The overlap is also increased through variability. When rare events occur more regularly than predicted, the probability curve changes shape.

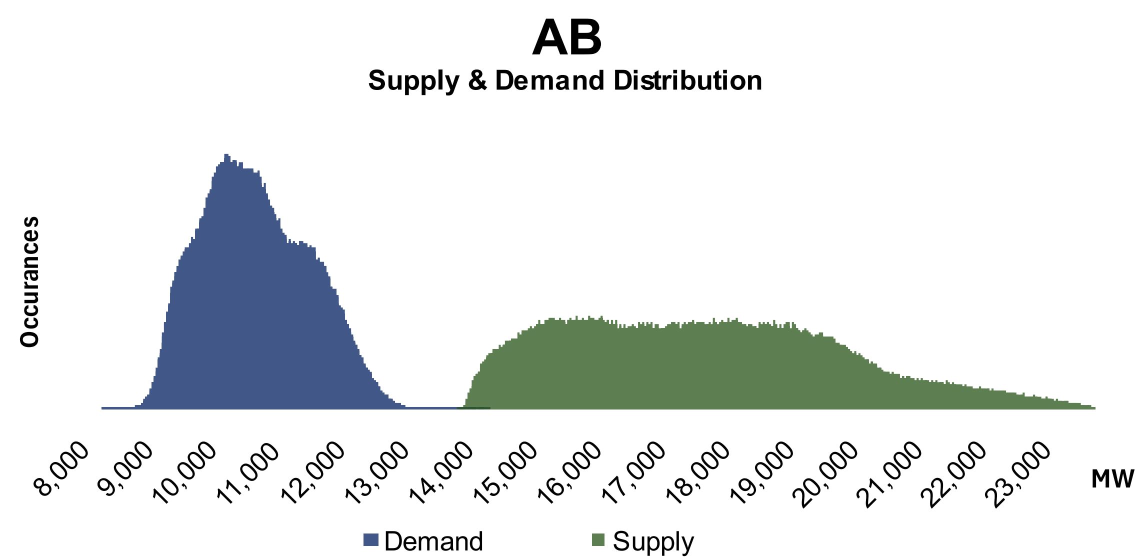
Results of the 2024 ProbA shown in the table below indicate negligible unserved energy and load-loss risk.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	0	0	0
EUE (PPM)	0	0	0
LOLH (hours per year)	0	0	0
Operable On-Peak Margin	26.1%	41.6%	42.4%

* Provides the 2022 ProbA Results for Comparison

The resource adequacy work performed at WECC uses the Multi-Area Variable Resource Integration Convolution (MAVRIC) model. 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 Probabilistic Assessment. WECC also produces an annual reliability assessment called the *Western Assessment of Resource Adequacy* (WARA).[36]

The availability and demand distributions in the ProbA simulations do not overlap, indicating an extremely low probability of Alberta not being resource adequate over the next four years. For 2026 and 2028, the peak hour occurs in December at HE 18:00. Alberta does not show LOLH nor EUE in the LTRA forecast horizon. The gap between the demand distribution and the supply distribution shown in the figure below emphasizes that there is minimal resource adequacy risk in Alberta. The ARM appears to further validate this, as it is far above the RML for 2026 and 2028.



Demand

Peak demand for Alberta occurs in the winter. The peak hour for total internal demand is expected to grow from about 12.3 GW in 2024 to 13.1 GW in 2034, a 6.5% load growth over the forecast horizon. The average year-to-year growth rate is 0.62%. There is a slight increase in the load forecast for this year's LTRA versus last year's. Near-term load growth is driven by industrial loads, such as oil sands production, pulp and paper mills, and gas and oil processing. Long-term demand growth is driven by electrification of transportation and buildings as well as potential growth in emerging industries, such as hydrogen production.

[36] See WECC Reliability Assessments.

Distributed Energy Resources
BTM DERs are difficult to measure due to data gathering barriers. AESO released its updated [2022 Plan for DER Roadmap Integration Activities.]

Generation
Over 6 GW of nameplate capacity are being added in Alberta through the end of 2028. There is significantly more solar, wind, and energy storage in this year's planned capacity additions than in the last LTRA. Additionally, several states and provinces in the region as well as cities and utilities are implementing renewable or carbon-free electricity targets. Retirements tend to be concentrated across three resource types: coal, nuclear, and natural gas. Coal and natural gas units are being retired due to age and emissions. Alberta's two remaining coal units have been converted to natural gas this year.

Energy Storage
Energy storage is being relied on to help mitigate ramping risk from afternoon net demand due to increasing penetrations of solar. Many additions are being co-located into hybrid PV + storage, but there is also increased standalone battery storage. Learning curves for potential operational challenges to mitigate energy storage risks include further real-world testing under extreme weather conditions, especially extended high temperatures such as during heat waves, and exploring solutions to mitigate the risks of fire.

Capacity Transfers
In WECC's analysis, Alberta is not showing significant changes to capacity transfers. There is a slight increase in exports between 5:00 p.m. and 10:00 p.m. and in the later years of the assessment period.

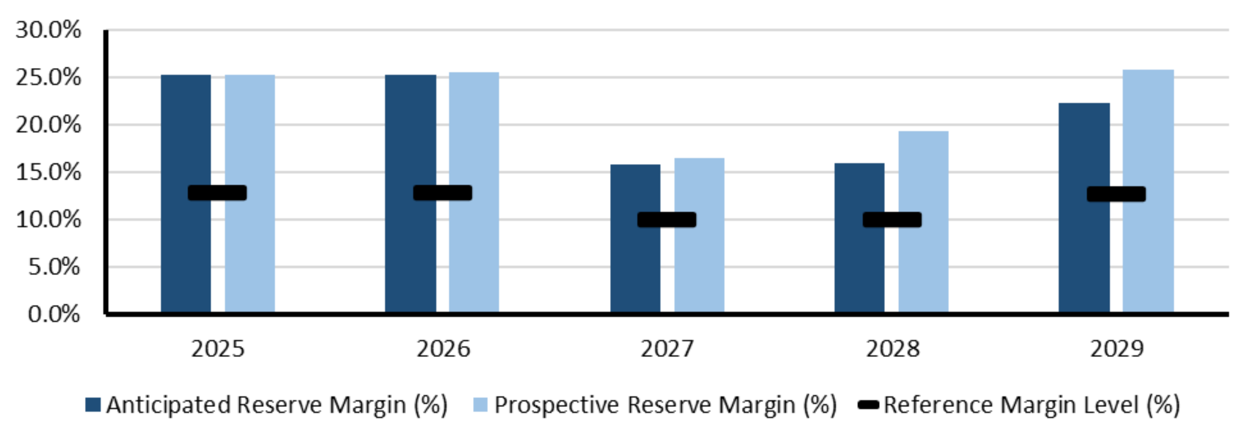
Reliability Issues
WECC notes that supply chain issues impacting transformers, circuit breakers, transmission cables, switchgears, and insulators continue to be a risk to generation and transmission development and are an ongoing reliability concern.

WECC-BC

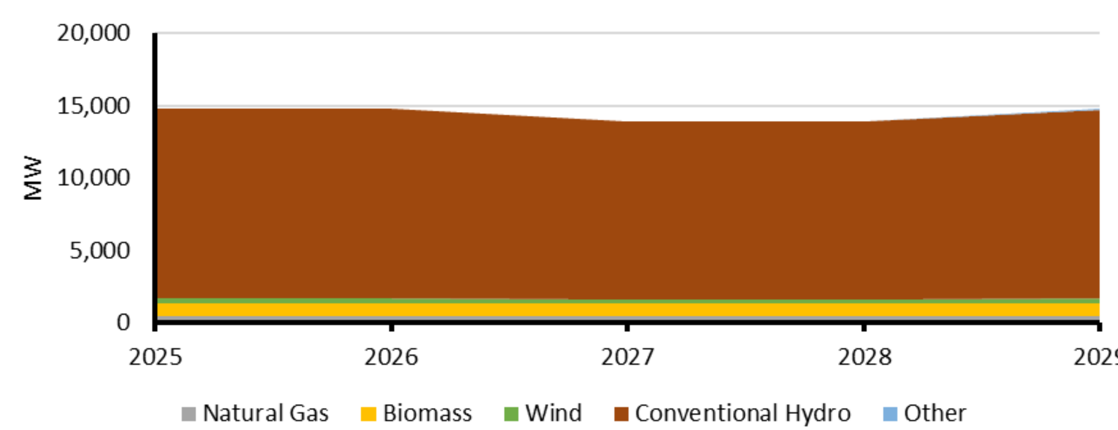
WECC-BC (British Columbia) is a winter-peaking assessment area in the WECC Regional Entity that consists of the province of BC, Canada. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 Balancing Authorities, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and BC in Canada, the northern portion of Baja California in Mexico, and all or portions of the 14 western U.S. states in between.

Demand, Resources, and Reserve Margins

Quantity	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Total Internal Demand	11,986	11,959	12,015	11,983	12,075	12,082	12,130	12,174	12,237	12,305
Demand Response	0	0	0	0	0	0	0	0	0	0
Net Internal Demand	11,986	11,959	12,015	11,983	12,075	12,082	12,130	12,174	12,237	12,305
Additions: Tier 1	956	956	893	893	956	956	956	956	893	956
Additions: Tier 2	0	41	79	398	419	748	1,077	1,077	1,012	1,405
Additions: Tier 3	0	5	5	5	6	6	59	59	56	59
Net Firm Capacity Transfers	184	188	0	0	0	0	0	0	0	0
Existing-Certain and Net Firm Transfers	14,054	14,022	13,019	12,998	13,812	13,795	13,795	13,795	12,982	13,795
Anticipated Reserve Margin (%)	25.2%	25.2%	15.8%	15.9%	22.3%	22.1%	21.6%	21.2%	13.4%	19.9%
Prospective Reserve Margin (%)	25.2%	25.6%	16.5%	19.2%	25.8%	28.3%	30.5%	30.0%	21.7%	31.3%
Reference Margin Level (%)	12.8%	12.8%	10.0%	10.0%	12.7%	12.7%	12.6%	12.6%	9.8%	12.5%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM does not fall below the RML during the 2024–2034 timeframe.
- BC shows a shortfall of existing-certain and net firm transfers for the 2027–2028 winter and the 2028–2029 winter. Shortfalls are also projected from the winter of 2033–2034 onward. This indicates that imports may be necessary during these periods if new resources were to be significantly delayed.
- The peak hour of demand for BC occurs in the winter. BC shows the lowest demand growth rate in the west. The peak demand is expected to grow from about 12.0 GW in 2024 to 12.3 GW in 2034, slightly less than in the previous LTRA forecast. This is an average annual growth rate of 0.28%, and a 2.8% load growth over the forecast horizon.
- BC is showing hours of demand at risk that are not fully mitigated by the addition of Tier 3 resources. Supply chain performance will play a significant role in BC's ability to reliably meet energy needs. Seasonal and daily fluctuations of hydro resource availability is also a risk. LOLH and EUE correlate with periods when river flows are at their lowest.

WECC-BC Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030
Natural Gas	459	459	456	456	459
Biomass	920	920	914	914	920
Wind	279	279	268	268	279
Conventional Hydro	13,145	13,110	12,253	12,232	13,087
Other	22	22	22	22	22
Total MW	14,825	14,790	13,912	13,891	14,768

WECC-BC Assessment

Planning Reserve Margins

The ARM does not fall below the RML during the 2024–2034 timeframe. BC shows a shortfall of existing-certain and net firm transfers for the 2027–2028 winter and the 2028–2029 winter. Shortfalls are also projected from winter of 2033–2034 onward. This indicates that imports may be necessary during these periods if new resources were to be significantly delayed.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

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Results of the 2024 ProbA shown in the table below indicate negligible unserved energy and load-loss risk in 2026. In 2028, however, WECC's analysis identified over five hours where resources, including imports from neighbors, fall below margins for system reliability.

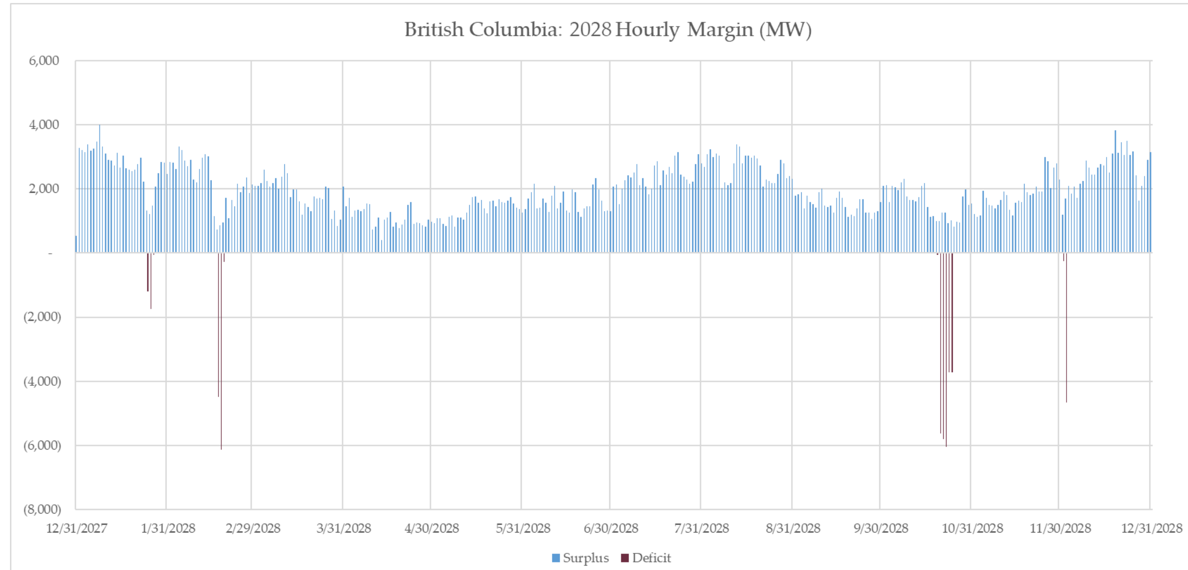
Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	24	0	103,132
EUE (PPM)	0.71	0	1,457
LOLH (hours per year)	0.002	0	5.52
Operable On-Peak Margin	12.7%	16.9%	9.4%

* Provides the 2022 ProbA Results for Comparison

The resource adequacy work performed at WECC uses the MAVRIC model. 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 Probabilistic Assessment, as well as WECC's WARA.

For both 2026 and 2028, the peak hour occurs in December at HE 19:00. LOLH and EUE are not forecast in 2026 but do appear in 2028. No LOLH or EUE occurs at the peak hour. 88% of the EUE in 2028 occurs overnight between the hours of 23:00 and 4:00.

In 2026, the peak summer hour is HE 17:00 in September, and in 2028 the peak hour is HE 17:00 in August. There is no LOLH projected for 2026 or during peak hours. LOLH occurs in 2028 between the hours of 17:00 and 20:00.



Icicle Plot with Hourly Surplus and Deficits for British Columbia in 2028

WECC's interconnection-wide analysis simulates the probabilistic performance of resource types using historic hourly output data to identify future risk periods. Operators of systems with large hydroelectric storage facilities make adjustments to generation based on the level of demand and shape the water use within the day, week, month, or between years. These actions help posture hydroelectric generation for expected conditions and can reduce energy shortfall risks.

	1	2	3	4	5	6	7	8	9	10	11	12
0	(0)	(5)	-	-	-	-	-	-	-	(10)	-	-
1	(1)	(5)	-	-	-	-	-	-	-	(12)	-	-
2	(1)	(6)	-	-	-	-	-	-	-	(20)	-	-
3	(3)	(5)	-	-	-	-	-	-	-	(14)	(0)	-
4	(0)	(1)	-	-	-	-	-	-	-	(0)	(0)	-
5	-	(0)	-	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	(0)	-	-
8	-	(0)	-	-	-	-	-	-	-	(0)	-	(0)
9	(0)	(0)	-	-	-	-	-	-	-	-	-	(0)
10	-	(0)	-	-	-	-	-	-	-	-	-	(0)
11	-	-	-	-	-	-	-	-	-	-	-	(1)
12	-	-	-	-	-	-	-	-	-	-	-	(3)
13	-	(0)	-	-	-	-	-	-	-	-	-	(5)
14	-	-	-	-	-	-	-	-	-	-	-	(1)
15	-	(0)	-	-	-	-	-	-	-	-	-	(0)
16	-	-	-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-	-	-	-	-
20	-	(0)	-	-	-	-	-	-	-	-	-	-
21	-	(0)	-	-	-	-	-	-	-	-	-	-
22	-	(0)	-	-	-	-	-	-	-	(0)	-	(0)
23	-	(2)	-	-	-	-	-	-	-	(5)	-	-

2028 Heat Map EUE (GW) - British Columbia

Demand

BC's average annual load growth in its forecast has fallen to a rate below Alberta's. The peak hour total internal demand for BC occurs in the winter. The peak demand is expected to grow from about 12.0 GW in 2024 to 12.3 GW in 2034, slightly less than in the last forecast. This is an average annual growth rate of 0.28% and a 2.8% load growth over the forecast horizon. BC's load growth is lower due to updated monthly profiles that reflect current trends and aggressive DSM which it includes as a demand reduction in the demand forecasts provided to WECC. Load growth in BC is primarily driven by EV and gas sector load growth and is partially offset by a decline in demand from the forestry sector.

Distributed Energy Resources

BTM DERs are difficult to measure due to data-gathering barriers. BC Hydro has net metering. Net metering for residential and commercial customer projects are up to 100 kW. The net metering program has no annual energy volume target.

Generation

Across WECC, several states and provinces as well as cities and utilities are implementing renewable or carbon-free electricity targets. Retirements tend to be concentrated across three resource types: coal, nuclear, and natural gas. Coal and natural gas units are being retired due to age and emissions.

In BC, hydro and wind resources are being added to the system. The BC Hydro Authority (BCHA) is taking steps to mitigate risks associated with climate change by improving coastal watershed inflow forecasting to an hourly level and increasing investment in capital projects to increase the resiliency of its hydro-dominant portfolio. Drought conditions in BC have led to water conservation measures, such as encouraging generation at facilities located in less drought-impacted areas, revising discharge plans at storage capable sites, and importing power when available to reduce water consumption.

Capacity Transfers

WECC's probabilistic analysis indicates that BC's need for imports is increasing during the assessment period.

Transmission

Three transmission projects with voltage design of 500 kV and higher are planned in the BC region.

Reliability Issues

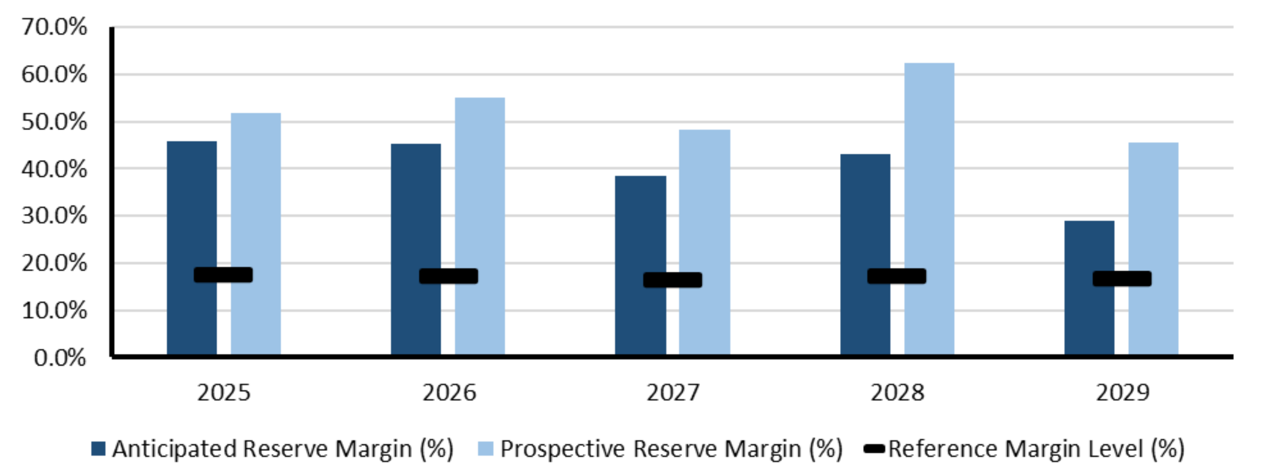
WECC notes that supply chain issues impacting transformers, circuit breakers, transmission cables, switchgears, and insulators continue to be a risk to generation and transmission development and are an ongoing reliability concern.

WECC-CA/MX

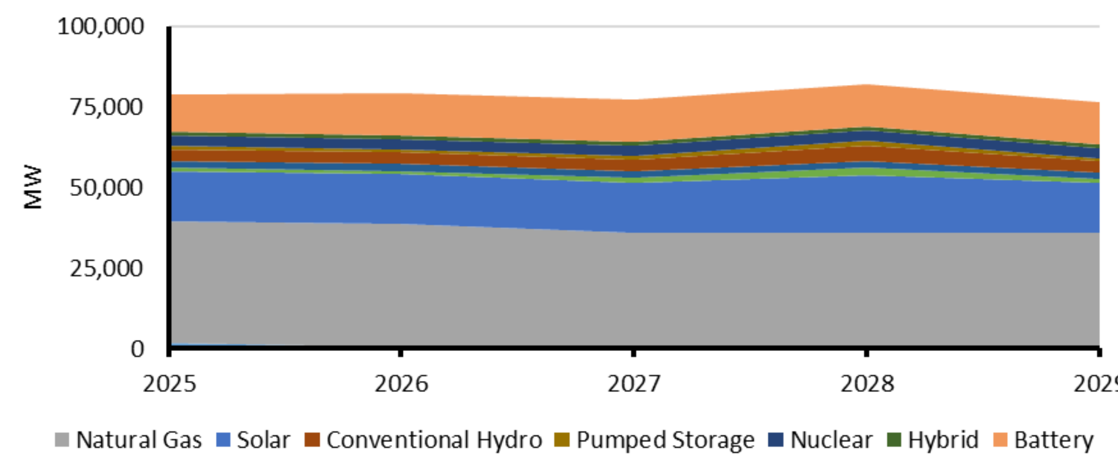
WECC-CA/MX (California/Mexico) is a summer-peaking assessment area in the WECC Regional Entity that includes parts of California, Nevada, and Baja California, Mexico. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 Balancing Authorities, 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 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia in Canada, the northern portion of Baja California in Mexico, and all or portions of the 14 western U.S. states in between.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	56,619	57,274	59,291	60,131	61,289	61,067	62,336	65,876	67,251	69,064
Demand Response	795	797	793	793	793	794	794	794	794	794
Net Internal Demand	55,824	56,477	58,499	59,338	60,496	60,273	61,542	65,082	66,457	68,269
Additions: Tier 1	9,700	11,074	11,128	11,546	11,074	11,990	11,990	12,437	12,047	11,990
Additions: Tier 2	3,349	5,628	5,727	11,483	10,121	17,017	17,017	22,135	23,212	24,650
Additions: Tier 3	9	19	19	22	19	321	321	326	322	321
Net Firm Capacity Transfers	1,509	1,828	2,760	1,953	448	357	342	898	317	314
Existing-Certain and Net Firm Transfers	71,707	70,921	69,827	73,373	66,866	66,142	63,916	68,939	64,533	63,888
Anticipated Reserve Margin (%)	45.8%	45.2%	38.4%	43.1%	28.8%	29.6%	23.3%	25.0%	15.2%	11.1%
Prospective Reserve Margin (%)	51.8%	55.1%	48.2%	62.5%	45.6%	57.9%	51.0%	59.0%	50.2%	47.3%
Reference Margin Level (%)	17.4%	17.4%	16.4%	17.4%	16.6%	16.4%	16.1%	16.3%	14.9%	15.3%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM falls below the RML in Summer 2034, but the RML is covered by the PRM, which includes Tier 2 resource additions.
- Starting in Summer 2029 onward, CA/MX shows a shortfall of existing-certain and net firm transfers. However, with planned generation resource additions the shortfalls are eliminated. Imports may be necessary if the new resources were to be significantly delayed. LOLH and EUE are mitigated over the assessment horizon with the addition of Tier 2 resources and primarily correspond with the evening down ramp of solar and lingering demand after peak.
- The peak hour of demand for CA/MX occurs in the summer. Total internal demand at peak hour is expected to grow from about 56.4 GW in 2024 to 69.1 GW in 2034, a 22.5% load growth over the forecast horizon. The average annual growth rate is 2.07%.
- Diablo Canyon, a 2.2 GW nuclear site, will no longer be retired by 2025 and is now slated to be retired in 2030.

WECC-CA/MX Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	2026	2027	2028	2029
Coal	1,572	466	466	465	466
Coal*	1,122	16	16	15	16
Petroleum	185	185	185	184	185
Natural Gas	38,180	38,180	35,565	35,504	35,506
Biomass	726	726	727	726	726
Solar	15,464	15,464	15,501	17,990	15,464
Wind	1,158	1,158	1,428	2,144	1,158
Geothermal	2,004	2,059	2,061	2,056	2,059
Conventional Hydro	3,582	3,582	3,838	4,727	3,582
Pumped Storage	889	889	951	1,710	889
Nuclear	3,282	3,282	3,287	3,283	3,282
Hybrid	32	32	34	39	32
Other	32	32	32	32	32
Battery	12,792	14,111	14,119	14,106	14,111
Total MW	79,898	80,166	78,194	82,967	77,492
Total MW*	79,448	79,716	77,744	82,517	77,042
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

WECC-CA/MX Assessment

Planning Reserve Margins

The ARM falls below the RML in the summer of 2034. With the addition of Tier 2 resources, reserve margins remain above RML. Starting in Summer 2029 onward, CA/MX shows a shortfall of existing-certain and net firm transfers, meaning that imports may be necessary if new resources were to be significantly delayed.

The California Independent System Operator (CAISO) is responsible for much of the BPS that is in CA/MX. CAISO manages the transmission system, oversees transmission planning, and operates the wholesale electricity market for its territory. Other entities in CA/MX include the Balancing Authority of Northern California (BANC), the Imperial Irrigation District (IID), and Mexico's National Center for Energy Control (CENACE), which operates the connected Baja California system.

CAISO Only: The ARM falling below the RML in Summer 2034 and the shortfall of existing-certain and net firm transfers in Summer 2029 is consistent when looking at CA/MX or solely at CAISO. The RML of CAISO averages 0.7% higher than the CA/MX region RML over the LTRA horizon. This is due to the exclusion of natural gas and coal resource energy contributions from CA/MX entities outside of CAISO. Decreasing baseload generators results in increased variability, which in turn requires a greater RML to maintain the ODITY threshold. However, the gap between the anticipated, prospective, and existing reserve margins and the RML for CAISO are greater than the broader CA/MX region. The proportion of energy availability to anticipated net internal demand is larger for CAISO, accounting for this increase.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

The resource adequacy work performed at WECC uses the MAVRIC model. 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 Probabilistic Assessment, as well as WECC's WARA.

WECC performs a probabilistic analysis to evaluate the probability distribution curves of demand and resource availability together. The area where those curves overlap represents the possibility that there will not be enough resources available to serve the demand, or the "demand at risk." The greater the overlap area, the greater the likelihood that this will be the case. For this analysis, WECC sets the risk tolerance threshold to the ODITY level, meaning that 99.98% of the demand for each hour is covered by available resources (i.e., the area of overlap is equal to no more than .02% of the total area of the demand curve for any given hour). The overlap—the demand at risk—increases when one or both curves move due to increases to expected demand or decreases to expected resource availability, or a combination of these (the curves maintain their original shape but move closer together, increasing the overlap). The overlap is also increased through variability. When rare events occur more regularly than predicted, the probability curve changes shape.

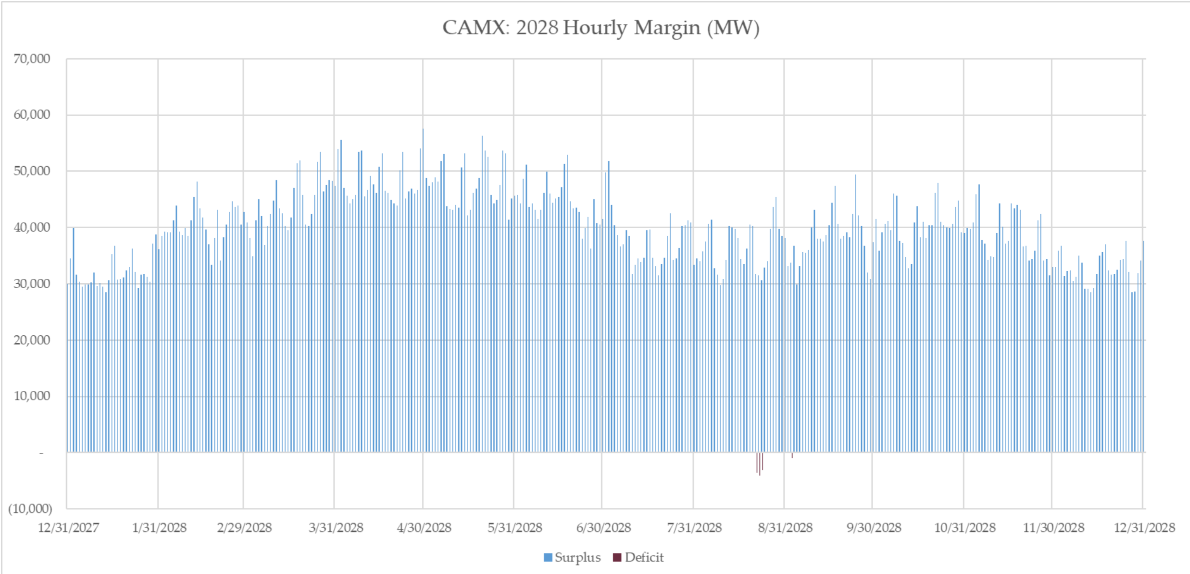
Results of the 2024 ProbA shown in the table below indicate negligible unserved energy and load-loss risk in 2026. After 2026, however, WECC's analysis identified periods of unserved energy and load loss in CA/MX during June through October. Of note, this risk is limited to the Mexico portion of CA/MX (i.e., ProbA results for the CAISO do not indicate LOLH or EUE) until 2029, when the risk extends across the entire assessment area.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	37,305	0	19,662
EUE (PPM)	136	0	70.07
LOLH (hours per year)	0.721	0	0.38
Operable On-Peak Margin	30.7%	43.2%	41.2%

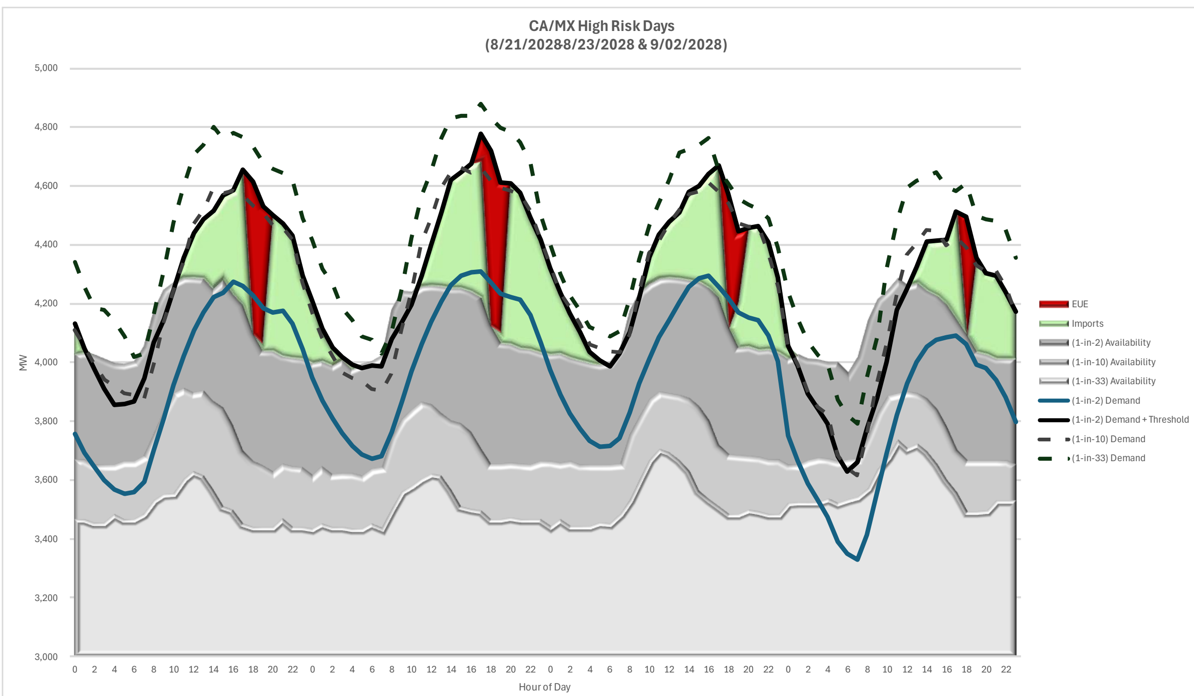
* Provides the 2022 ProbA Results for Comparison

Though the hour and month of peak demand are the same for both CAISO and the broader CA/MX region, CAISO shows the greatest amount of EUE and LOLH in September, whereas CA/MX shows the greatest amount of EUE and LOLH in August. This coincides with the seasonal reduction of solar irradiance in the fall and CAISO having a proportionally larger share of solar resources than the CA/MX region. Excluding regions external to CAISO results in a 96% reduction in LOLH events and EUE over the LTRA horizon.

The hour of peak demand in summer occurs at 5:00 p.m. The hours of highest risk, however, occur during periods after the peak demand hour as solar PV resource output diminishes. There is no LOLH projected for 2026; however in 2028, the ProbA reveals some LOLH between the hours of 5:00 and 8:00 p.m.



Icicle Plot with Hourly Surplus and Deficits for CA/MX in 2028



Demand

The peak demand for CA/MX occurs in the summer. The peak hour for total internal demand is expected to grow from about 56.4 GW in 2024 to 69.1 GW in 2034, a 22.5% load growth over the forecast horizon. The average annual growth rate is 2.07%. Transportation and building electrification are the primary drivers of demand growth.

CAISO Only: The demand forecast for CAISO grows at a slightly higher rate than the broader CA/MX region, with a load growth of 25.2% over the LTRA forecast horizon, and an average annual rate of 2.1%.

Demand-Side Management

A portion of the near-term decline in controllable and dispatchable DR for Summer 2024 is partly driven by regulatory changes in the CA/MX region. This includes making resource adequacy DR crediting adjustments based on historical performance and increasing DR availability requirements. The California Public Utilities Commission (CPUC) determined resource adequacy values of utility DR were overestimated during high load days. In response, the CPUC removed transmission gross-ups and some credits from utility DR resource adequacy values starting in 2024. The CPUC also directed that DR resource adequacy capacity must be available during all days the ISO calls a flex alert or issues a grid warning or on which the governor’s office has issued an emergency notice, representing a significant increase in required availability. In addition, the CPUC now requires all DR capacity to be available a minimum of three days per week for at least four hours per day.

For CAISO, energy efficiency and conservation drops significantly when excluding non-CAISO entities from the CA/MX region. The entities outside of CAISO account for an average of 70% of the energy efficiency and conservation DSM for the CA/MX region for the LTRA timeframe.

Distributed Energy Resources

BTM DERs are difficult to measure due to data-gathering barriers. CAISO allows seven DER aggregators as market participants for energy and ancillary services. Additionally, PG&E’s Partnership Pilot includes new or existing solar, storage, energy efficiency and demand response used via third party DER providers, vendors, or aggregators.

Generation

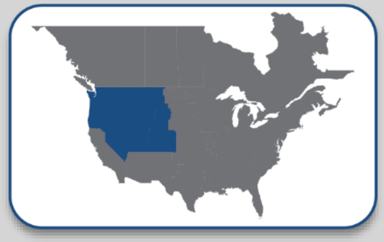
There is significantly more solar, wind, and energy storage in planned capacity additions than in the last LTRA. Additionally, several states in the region as well as cities and utilities are implementing renewable or carbon-free electricity targets. Retirements tend to be concentrated across three resource types: coal, nuclear, and natural gas. Coal and natural gas units are being retired due to age and emissions.

Energy Storage
Energy storage is being relied on to help mitigate ramping risk from afternoon net demand caused by increasing penetrations of solar. Many additions are being co-located into hybrid PV + storage but there is also increased standalone battery storage. Learning curves for potential operational challenges to mitigate energy storage risks include further real-world testing under extreme weather conditions, especially extended high temperatures such as during heat waves, and exploring solutions to mitigate the risks of fire.

Capacity Transfers
CA/MX is showing increasing amounts of exports to the northwest, especially during winter months.

Transmission
Seventeen transmission projects with 500 kV and higher are planned.

Reliability Issues
WECC notes that supply chain issues impacting transformers, circuit breakers, transmission cables, switchgears, and insulators continue to be a risk to generation and transmission development and are an ongoing reliability concern.

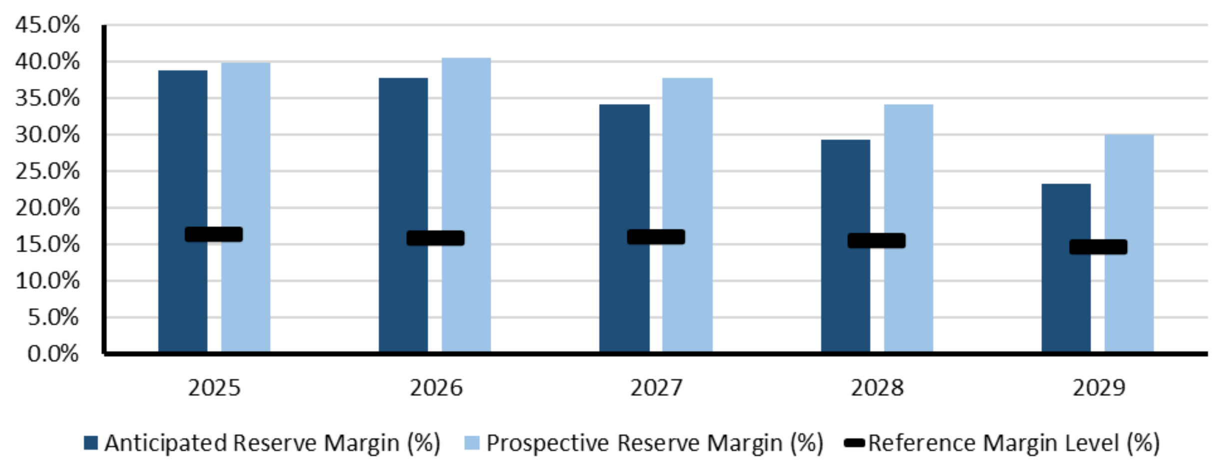


WECC-NW

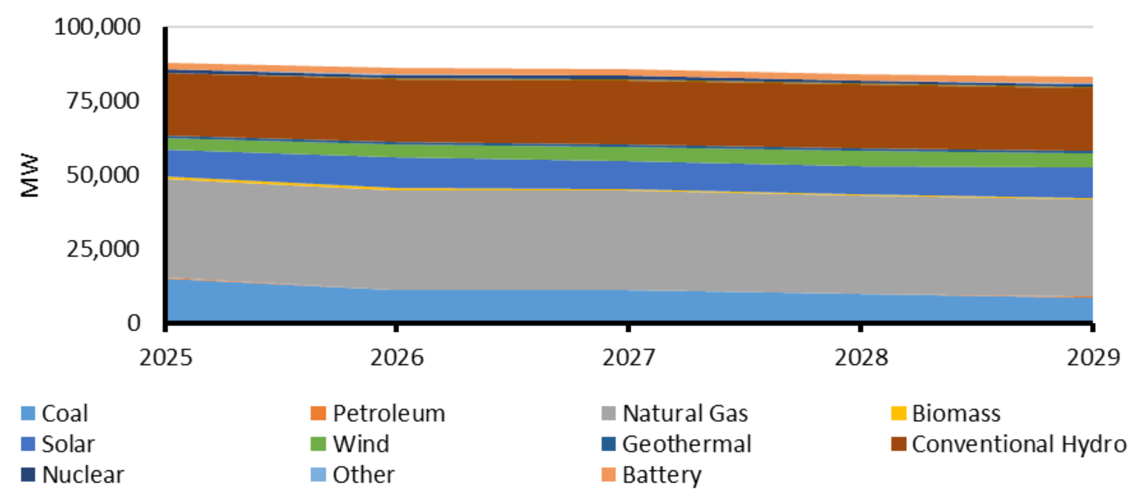
WECC-NW (Northwest) is a summer-peaking assessment area in the WECC Regional Entity. The area includes Colorado, Idaho, Montana, Oregon, Utah, Washington, and Wyoming and parts of California, Nebraska, Nevada, and South Dakota. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 Balancing Authorities, 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 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia in Canada, the northern portion of Baja California in Mexico, and all or portions of the 14 western U.S. states in between.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	68,274	69,745	71,580	73,626	75,079	75,917	76,736	77,462	78,316	78,835
Demand Response	806	808	811	814	806	809	812	814	817	820
Net Internal Demand	67,469	68,936	70,768	72,811	74,273	75,108	75,925	76,647	77,499	78,016
Additions: Tier 1	7,000	9,386	9,295	9,489	9,752	9,752	10,141	10,141	9,915	10,141
Additions: Tier 2	788	1,955	2,628	3,595	5,046	6,593	7,258	7,273	6,935	7,253
Additions: Tier 3	2,945	8,874	14,008	21,247	28,296	33,802	40,239	42,260	41,876	43,809
Net Firm Capacity Transfers	5,627	8,796	9,087	9,863	8,462	6,037	2,783	2,423	2,370	2,140
Existing-Certain and Net Firm Transfers	86,609	85,564	85,605	84,618	81,788	78,094	74,003	73,297	72,810	71,446
Anticipated Reserve Margin (%)	38.7%	37.7%	34.1%	29.3%	23.3%	17.0%	10.8%	8.9%	6.7%	4.6%
Prospective Reserve Margin (%)	39.9%	40.6%	37.8%	34.2%	30.0%	25.7%	20.4%	18.4%	15.7%	13.9%
Reference Margin Level (%)	16.3%	15.8%	15.9%	15.4%	14.7%	14.5%	14.3%	14.2%	14.4%	13.8%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM falls below the RML starting in Summer 2031. With the addition of Tier 2 capacity, the PRM stays above the RML for all years in the LTRA time horizon.
- Starting in Summer 2029 onward, the Northwest shows a shortfall of existing-certain and net firm transfers, meaning that imports may be necessary if new resources were to be significantly delayed. Five GW of baseload resource retirements are anticipated between 2024 and 2028. The energy needs are to be replaced by solar and wind, supported by BESS. Supply chain issues preventing the construction of BESS resources are a concern as they assist in meeting demand during shoulder periods where solar availability is dropping but loads remain high. LOLH and EUE are mitigated over the assessment horizon with the addition of Tier 3 resources.
- The Northwest is dual peaking, so the peak hour can occur in either the summer or the winter. Probabilistic modeling efforts show a peak in the summer for this LTRA. The summer peak for the total internal demand is expected to grow from about 66.4 GW in 2024 to 78.8 GW in 2034, which is lower than in the previous LTRA. This represents a nearly 18.7% load growth over the forecast horizon, with an average growth rate of 1.73%.

WECC-NW Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	**2026**	**2027**	**2028**	**2029**
Coal	14,965	11,031	11,021	9,667	8,761
Coal*	14,661	10,223	10,607	9,349	8,060
Petroleum	321	321	319	319	316
Natural Gas	33,452	33,636	33,304	32,954	32,749
Biomass	729	723	683	683	604
Solar	9,086	10,191	9,350	9,431	10,379
Wind	3,924	4,566	4,939	4,939	4,561
Geothermal	884	934	933	1,007	997
Conventional Hydro	21,003	21,000	21,542	21,522	20,958
Pumped Storage	373	373	375	375	373
Nuclear	1,096	1,096	1,096	1,096	1,096
Other	64	64	64	64	64
Battery	2,084	2,219	2,188	2,188	2,219
Total MW	87,981	86,154	85,814	84,245	83,077
Total MW*	87,679	85,346	85,398	83,926	82,377
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

WECC-NW Assessment

Planning Reserve Margins

The ARM falls below the RML starting in Summer 2031. With the addition of Tier 2 capacity, the PRM stays above the Reference Margin for all years in the LTRA time horizon. Starting in Summer 2029 onward, the Northwest shows a shortfall of existing-certain and net firm transfers, meaning that imports may be necessary if new resources were to be significantly delayed.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

WECC performs a probabilistic analysis to evaluate the probability distribution curves of demand and resource availability together. The area where those curves overlap represents the possibility that there will not be enough resources available to serve the demand, or the “demand at risk.” The greater the overlap area, the greater the likelihood that this will be the case. For this analysis, WECC sets the risk tolerance threshold to the ODITY level, meaning that 99.98% of the demand for each hour is covered by available resources (i.e., the area of overlap is equal to no more than .02% of the total area of the demand curve for any given hour). The overlap—the demand at risk—increases when one or both curves move due to increases to expected demand or decreases to expected resource availability, or a combination of these (the curves maintain their original shape but move closer together, increasing the overlap). The overlap is also increased through variability. When rare events occur more regularly than predicted, the probability curve changes shape.

Results of the 2024 ProbA shown in the table below indicate negligible unserved energy and load-loss risk.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	1,722	0	1
EUE (PPM)	4	0	0
LOLH (hours per year)	0.04	0	0
Operable On-Peak Margin	37.6%	36.1%	27.8%

* Provides the 2022 ProbA Results for Comparison

The resource adequacy work performed at WECC uses the MAVRIC model. 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 Probabilistic Assessment, as well as WECC’s WARA.

Imports to the Northwest from the CA/MX region grow throughout the LTRA forecast horizon. A calm, cloudy, extreme heat event occurring in the Northwest and CA/MX regions simultaneously poses a risk to the Northwest by limiting surplus energy in CA/MX to send northward.

Energy variability is greater in the Northwest than other WECC regions due to the large share of wind and hydro in the portfolio. More variability in energy output requires a greater reserve margin to maintain resource adequacy.

For 2026 and 2028, the peak hour occurs in August at HE 17:00. LOLH and EUE are not forecast in 2026 and only occur for a single hour in 2028. The LOLH occurred in August at HE 19:00, slightly after peak. The LOLH corresponds with the declining solar availability in the evening while demand remains high.

Demand

The Northwest is dual peaking, so the peak hour can occur in either the summer or the winter. Probabilistic modeling efforts show a peak in the summer for this LTRA. The summer peak for the total internal demand is expected to grow from about 66.4 GW in 2024 to 78.8 GW in 2034, which is lower than in the previous plan. This represents a nearly 18.7% load growth over the forecast horizon, with an average growth rate of 1.73%. There are significant differences between balancing areas, with some showing large load growth impacts while others showing a slight decrease in demand. Entities reporting large load growth cite new data centers as a primary driver.

Demand-Side Management

In the Northwest, Idaho Power implements a substantial dispatchable DR program focused on the agricultural sector with its Irrigation Peak Rewards Programs. This allows Idaho Power to remotely turn off specific irrigation pumps a minimum of four times during the summer. Participation varies year to year based on factors such as the availability of water and program parameters. In 2022, the utility lengthened the season and included additional evening hours, which drove some reduction in participation that carried over to the Summer 2024 availability.

PacifiCorp states in its most recent Integrated Resource Plan (IRP) that it hopes to reach 1,123 MW of demand response by 2042 in its preferred portfolio plan, which is a 21% increase by 2042 from its previous plan. PacifiCorp’s dispatchable DR programs include residential, small commercial air-conditioner load control, irrigation load management, and 203 MW of interruptible contracts.

The Public Service Company of Colorado (PSCo) also offers a wide array of DR programs, such as Saver’s Switch, which is a program where the air-conditioning unit of a customer may be controlled remotely and cycled during extreme heat events. Peak Day Partners allows for the direct load control and reduction of customers 0.5 MW or greater in size when system peaking conditions are met. The Interruptible Service Credit Option (ISOC) is a program where customers agree to reduce consumption in return for a rate discount with non-compliance being met with a fee.

Distributed Energy Resources

BTM DERs are difficult to measure due to data-gathering barriers. One example is Idaho Power's filing of annual DER Resources Status Reports by customer class and resource type, such as in 2023.

Generation

Five GW of baseload resource retirements are anticipated between 2024 and 2028. The energy needs are to be replaced by solar, wind, and BESS, further increasing variability in the portfolio. Given the retiring of baseload resources, supply chain issues preventing the construction of BESS resources are a concern as they assist in meeting demand during shoulder periods where solar availability is dropping but loads remain high.

There is significantly more solar, wind, and energy storage in planned capacity additions than in the last LTRA. Additionally, several states in the region as well as cities and utilities are implementing renewable or carbon-free electricity targets. Retirements tend to be concentrated across three resource types: coal, nuclear, and natural gas. Coal and natural gas units are being retired due to age and emissions.

Energy Storage

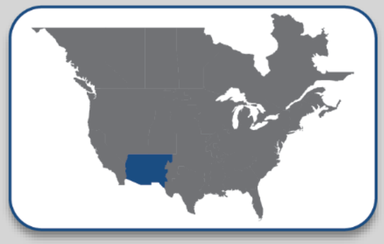
Energy storage is being relied on to help mitigate ramping risk from afternoon net demand due to increasing penetrations of solar. Many additions are being co-located into hybrid PV + storage, but there is also increased standalone battery storage. Learning curves for potential operational challenges to mitigate energy storage risks include further real-world testing under extreme weather conditions, especially extended high temperatures such as during heat waves, and exploring solutions to mitigate the risks of fire.

Capacity Transfers

The Northwest is showing greatly increasing import needs over the 10-year time horizon, especially in the winter months. Most of the imports in the model simulations come from CA/MX, with a smaller portion coming from BC**.**

Transmission

Twelve transmission projects with 500 kV and higher are planned.

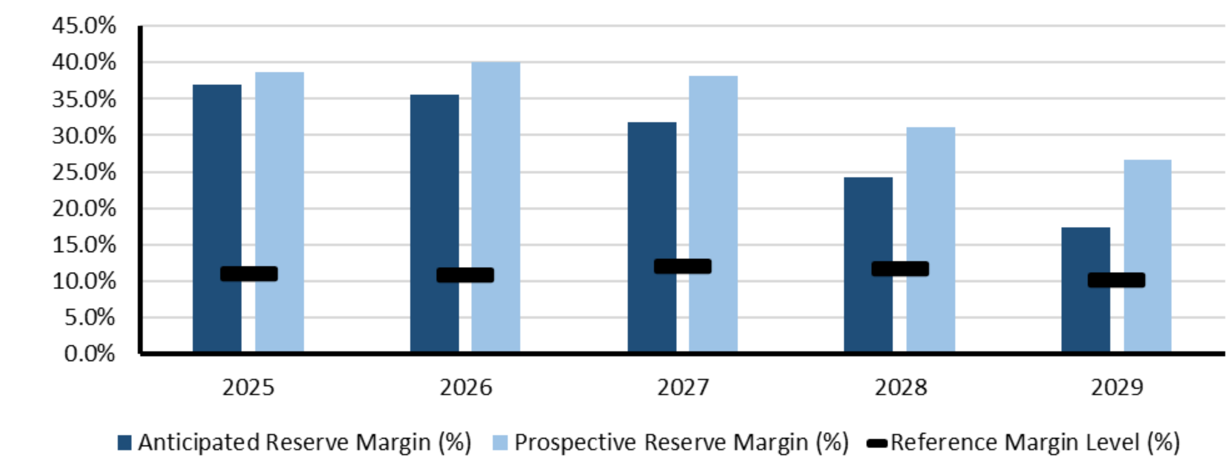


WECC-SW

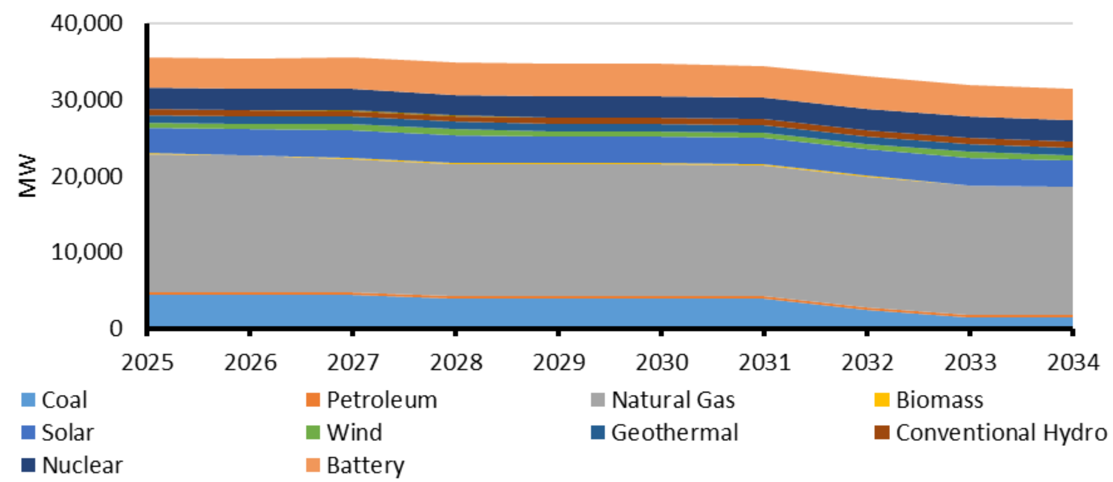
WECC-SW (Southwest) is a summer-peaking assessment area in the WECC Regional Entity. It includes Arizona, New Mexico, and part of California and Texas. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 Balancing Authorities, 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 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia in Canada as well as the northern portion of Baja California in Mexico and all or portions of the 14 Western U.S. states in between.

Demand, Resources, and Reserve Margins

Quantity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Internal Demand	28,347	29,184	30,098	30,905	31,684	32,401	33,082	33,676	34,301	34,886
Demand Response	417	392	396	424	373	389	392	396	424	373
Net Internal Demand	27,930	28,792	29,702	30,481	31,311	32,012	32,690	33,279	33,876	34,512
Additions: Tier 1	5,140	5,251	5,656	5,656	5,557	5,557	5,557	5,557	5,656	5,557
Additions: Tier 2	475	1,305	1,899	2,079	2,932	2,932	2,966	2,984	3,221	2,984
Additions: Tier 3	40	677	1,148	2,589	3,113	4,438	5,734	7,479	8,960	10,027
Net Firm Capacity Transfers	2,651	3,556	3,554	2,966	2,045	928	716	320	322	0
Existing-Certain and Net Firm Transfers	33,110	33,784	33,491	32,212	31,187	30,070	29,644	27,787	26,645	25,956
Anticipated Reserve Margin (%)	36.9%	35.6%	31.8%	24.2%	17.4%	11.3%	7.7%	0.2%	-4.7%	-8.7%
Prospective Reserve Margin (%)	38.6%	40.1%	38.2%	31.1%	26.7%	20.4%	16.8%	9.2%	4.9%	0.0%
Reference Margin Level (%)	11.0%	10.8%	12.0%	11.7%	10.2%	10.1%	9.9%	9.7%	10.8%	9.4%



Planning Reserve Margins



Existing and Tier 1 Resources

Highlights

- The ARM does not fall below the RML until Summer 2031, and the PRM falls below the RML in Summer 2032.
- Starting in Summer 2028 onward, the Southwest shows a shortfall of existing-certain and net firm transfers, meaning that imports may be necessary if new resources were to be significantly delayed. LOLH and EUE are mitigated over the assessment horizon with the addition of Tier 3 resources. Both supply chain and zoning issues have been cited as inhibiting project completion.
- The Southwest's peak demand in summer is forecast to grow at an average of 2.49%. Over the LTRA horizon, the forecast grows by a total of 27.8%, which is the highest forecasted growth in the WECC region. The Southwest's total internal demand forecast is nearly the same as last year's over the near and medium term, with a slight drop from last year's in the longer term, growing from a summer peak of 27.3 GW in 2024 to 34.9 GW by 2034.
- Natural gas derates during extreme heat events are a risk for the Southwest as these resources make up a large share of the resource portfolio in the area.

WECC-SW Projected Generating Capacity by Energy Source in Megawatts (MW)					
	2025	**2026**	**2027**	**2028**	**2029**
Coal	4,436	4,436	4,432	3,939	3,941
Coal*	4,432	4,432	4,148	3,655	3,657
Petroleum	323	323	322	322	323
Natural Gas	18,165	17,933	17,520	17,323	17,343
Biomass	82	82	82	82	82
Solar	3,354	3,354	3,628	3,628	3,479
Wind	628	695	799	799	695
Geothermal	1,047	1,047	1,047	1,047	1,047
Conventional Hydro	721	721	721	721	721
Pumped Storage	104	104	104	104	104
Nuclear	2,724	2,724	2,711	2,711	2,724
Battery	4,016	4,061	4,226	4,226	4,240
Total MW	35,599	35,479	35,593	34,902	34,698
Total MW*	35,595	35,475	35,309	34,618	34,414
*** Capacity with additional generator retirements.** Generators that have announced plans to retire but have yet to be included in system plans are removed from the resource projection where marked.					

WECC-SW Assessment

Planning Reserve Margins

The ARM does not fall below the RML until Summer 2031, and the PRM falls below the RML in Summer 2032. This indicates that imports may be necessary if new resources were to be significantly delayed, as Tier 3 resources will be required for reserve margins to meet the RML. Starting in Summer 2028 onward, the Southwest shows a shortfall of existing-certain and net firm transfers, meaning that imports may be necessary if new resources were to be significantly delayed.

Non-Peak Hour Risk, Energy Assurance, Probabilistic-Based Assessments

WECC performs a probabilistic analysis to evaluate the probability distribution curves of demand and resource availability together. The area where those curves overlap represents the possibility that there will not be enough resources available to serve the demand, or the "demand at risk." The greater the overlap area, the greater the likelihood that this will be the case. For this analysis, WECC sets the risk tolerance threshold to the ODITY level, meaning that 99.98% of the demand for each hour is covered by available resources (i.e., the area of overlap is equal to no more than .02% of the total area of the demand curve for any given hour). The overlap—the demand at risk—increases when one or both curves move due to increases to expected demand or decreases to expected resource availability, or a combination of these (the curves maintain their original shape but move closer together, increasing the overlap). The overlap is also increased through variability. When rare events occur more regularly than predicted, the probability curve changes shape.

Results of the 2024 ProbA shown in the table below indicate negligible unserved energy and load-loss risk.

Base Case Summary of Results			
	2026*	2026	2028
EUE (MWh)	84	0	19
EUE (PPM)	1	0	0.13
LOLH (hours per year)	0.003	0	0.00
Operable On-Peak Margin	18.3%	33.8%	22.5%

* Provides the 2022 ProbA Results for Comparison

The resource adequacy work performed at WECC uses the MAVRIC model. 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 Probabilistic Assessment. Another report produced is a WECC report called the WARA.

For 2026 and 2028, the peak hour occurs in July at HE 17:00. LOLH and EUE are not anticipated in 2026 and are minimal in 2028. LOLH was only observed in August at HE 19:00. The LOLH corresponds with the evening down ramp of solar and lingering demand after peak.

Due to the significant share of natural gas resources in the Southwest portfolio, a concern for the Southwest is natural gas derates during extreme heat events. A strategy to assist with resource planning is to construct derate curves for natural gas resources as a function of temperature. Resource procurement practices have also changed to focus on adding resources that have no dependence on temperature.

Demand

The Southwest has the highest rate of load growth in the Western Interconnection for the LTRA horizon. Large industrial and commercial load additions, such as data centers, have been cited as the reason for this growth.

The Southwest's peak demand in summer is forecast to grow at an average of 2.49%. Over the LTRA horizon, the forecast grows by a total of 27.8%. The Southwest's total internal demand forecast is nearly the same as last year's over the near and medium term, with a slight drop from last year's in the longer term, growing from a summer peak of 27.3 GW in 2024 to 34.9 GW by 2034.

Demand-Side Management

Arizona Public Service (AZPS) has numerous DSM pilots and programs, such as the Residential Energy Storage Pilot and Commercial Advanced Rooftop Controls. In the Residential Energy Storage Pilot, residents may install a small BESS at their residence and enable it to be dispatched by AZPS in response to grid needs 100 times a year, but not below 20% of its capacity. AZPS is projecting an almost 50 MW increase in available DR from 2024 to 2025.

In 2023, the Salt River Project (SRP) subscribed 87 MW of DR capability through the installation of 76,143 smart thermostats and enrolled over 500 businesses as interruptible customers providing 41 MW of controllable DR capacity. The SRP aims to achieve 300 MW of dispatchable DR capability by 2035.

The Public Service Company of New Mexico (PNM) operates the Peak Saver and Power Saver programs. Peak Saver reduces demand from commercial customers greater than 50 kW in size during peak demand periods, and the Power Saver program cycles the compressor of air conditioners to reduce peak demand in the summer. One hundred hours of curtailment are available for both programs with a four-hour limit per curtailment, and it was found that both programs combined reduce peak demand by an average of 45 MW per curtailment event.

El Paso Electric (EPE) operates a smart thermostat program to cycle air conditioners with the potential to achieve 50 MW of relief by 2040.

Additionally, AZPS, SRP, PNM, and EPE all offer time of use (TOU) rate structures for their customers.

Distributed Energy Resources
BTM DERs are difficult to measure due to data gathering barriers. In the Southwest, NV Energy has added DER plans to its triennial IRPs.

Generation
Southwest entities have slightly under 10 GW of nameplate capacity Tier 1 solar resources planned between 2024 and 2028. Supply chain issues resulting in project delays or failure of completion are a concern for the Southwest. Zoning issues prohibiting the construction of new solar assets are also an issue.

There is significantly more solar, wind, and energy storage in planned capacity additions than in the last LTRA. Additionally, several states in the region as well as cities and utilities are implementing renewable or carbon-free electricity targets. Retirements tend to be concentrated across three resource types: coal, nuclear, and natural gas. Coal and natural gas units are being retired due to age and emissions.

Energy Storage
Energy storage is being relied on to help mitigate ramping risk from afternoon net demand caused by increasing penetrations of solar. Many additions are being co-located into hybrid PV + storage, but there is also increased standalone battery storage. Learning curves for potential operational challenges to mitigate energy storage risks include further real-world testing under extreme weather conditions, especially extended high temperatures such as during heat waves, and exploring solutions to mitigate the risks of fire.

Capacity Transfers
The Southwest is not showing a significant increase in reliance on imports in the model, with peak exports occurring between 5:00 p.m. and 10:00 p.m.

Transmission
Twelve transmission projects with 500 kV and higher are planned.

Reliability Issues
WECC notes that supply chain issues impacting transformers, circuit breakers, transmission cables, switchgears, and insulators continue to be a risk to generation and transmission development and are an ongoing reliability concern.

Demand Assumptions and Resource Categories

Demand (Load Forecast)	
Total Internal Demand	This is the peak hourly load[37] for the summer and winter of each year.[38] Projected total internal demand is based on normal weather (50/50 distribution)[39] and includes the impacts of distributed resources, EE, and conservation programs.
Net Internal Demand	This is the total internal demand reduced by the amount of controllable and dispatchable DR projected to be available during the peak hour. Net internal demand is used in all reserve margin calculations.

Load Forecasting Assumptions by Assessment Area			
Assessment Area	**Peak Season**	**Coincident / Noncoincident[40]**	**Load Forecasting Entity**
MISO	Summer	Coincident	MISO LSEs
MRO-Manitoba Hydro	Winter	Coincident	Manitoba Hydro
MRO-SaskPower	Winter	Coincident	SaskPower
MRO-SPP	Summer	Noncoincident	SPP LSEs
NPCC-Maritimes	Winter	Noncoincident	Maritimes sub-areas
NPCC-New England	Summer	Coincident	ISO-NE
NPCC-New York	Summer	Coincident	NYISO
NPCC-Ontario	Summer	Coincident	IESO
NPCC-Québec	Winter	Coincident	Hydro-Québec
PJM	Summer	Coincident	PJM
SERC-East	Summer	Noncoincident	SERC LSEs
SERC-Florida Peninsula	Summer	Noncoincident	
SERC-Central	Summer	Noncoincident	
SERC-Southeast	Summer	Noncoincident	
Texas RE-ERCOT	Summer	Coincident	ERCOT
WECC-AB	Winter	Noncoincident	WECC BAs, aggregated by WECC
WECC-BC	Winter	Noncoincident	
WECC-CA/MX	Summer	Noncoincident	
WECC-NW	Summer	Noncoincident	

[37] Glossary of Terms Used in NERC Reliability Standards.
[38] The summer season represents June–September and the winter season represents December–February. In this assessment, the year of a winter period is referred to by the year of the month of December (e.g., Winter 2025 is December 2025 – February 2026).
[39] Essentially, this means that there is a 50% probability that actual peak demand will be higher and a 50% probability that actual peak demand will be lower than the value provided for a given season/year.
[40] 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.

Load Forecasting Assumptions by Assessment Area			
Assessment Area	Peak Season	Coincident / Noncoincident[40]	Load Forecasting Entity
WECC-SW	Summer	Noncoincident	

Resource Categories

NERC collects projections for the amount of existing and planned capacity and net capacity transfers (between assessment areas) that will be available during the forecast hour of peak demand for the summer and winter seasons of each year. Resource planning methods vary throughout the North American BPS. NERC uses the following categories to provide a consistent approach for collecting and presenting resource adequacy.

Anticipated Resources[41]

- Existing-certain generating capacity: includes capacity to serve load during period of peak demand from commercially operable generating units with firm transmission or other qualifying provisions specified in the market construct.
- Tier 1 capacity additions: includes capacity that is either under construction or has received approved planning requirements
- Firm capacity transfers (Imports minus Exports): transfers with firm contracts
- Less confirmed retirements[42]

Prospective Resources: Includes all "anticipated resources" plus the following:

- Existing-other capacity: includes capacity to serve load during period of peak demand from commercially operable generating units without firm transmission or other qualifying provision specified in the market construct. Existing-other capacity could be unavailable during the peak for a number of reasons.
- Tier 2 capacity additions: includes capacity that has been requested but not received approval for planning requirements
- Expected (non-firm) capacity transfers (imports minus exports): transfers without firm contracts but a high probability of future implementation.
- Less unconfirmed retirements.[43]

[41] Projected capacities are inputs to reserve margin calculations and probabilistic assessments. Projections are dependent on official retirement notices to system operators. If no notice is given, capacity projections assume no retirements, even if established trends for resource retirements show declines over past years

[42] Generators that have formally announced retirement plans. These units must have an approved generator deactivation request where applicable.

[43] Capacity that is expected to retire based on the result of an assessment area generator survey or analysis. This capacity is aggregated by fuel type.

Resource Categories

Generating Unit Status: Status at time of reporting:
• Existing: It is in commercial operation.
• Retired: It is permanently removed from commercial operation.
• Mothballed: It is currently inactive or on standby but capable for return to commercial operation. Units that meet this status must have a definite plan to return to service before changing the status to "Existing" with capacity contributions entered in "Expected-Other." Once a "mothballed" unit is confirmed to be capable for commercial operation, capacity contributions should be entered in "Expected-Certain."
• Cancelled: planned unit (previously reported as Tier 1, 2, or 3) that has been cancelled/removed from an interconnection queue.
• Tier 1: A unit that meets at least one of the following guidelines (with consideration for an area's planning processes):[44]
  ▪ Construction complete (not in commercial operation)
  ▪ Under construction
  ▪ Signed/approved Interconnection Service Agreement (ISA)
  ▪ Signed/approved Power Purchase Agreement (PPA) has been approved
  ▪ Signed/approved Interconnection Construction Service Agreement (CSA)
  ▪ Signed/approved Wholesale Market Participant Agreement (WMPA)
  ▪ Included in an integrated resource plan or under a regulatory environment that mandates a resource adequacy requirement (Applies to Vertically Integrated Entities)
• Tier 2: A unit that meets at least one of the following guidelines (with consideration for an area's planning processes):[45]
  ▪ Signed/approved Completion of a feasibility study
  ▪ Signed/approved Completion of a system impact study
  ▪ Signed/approved Completion of a facilities study
  ▪ Requested Interconnection Service Agreement
  ▪ Included in an integrated resource plan or under a regulatory environment that mandates a resource adequacy requirement (Applies to RTOs/ISOs)
• Tier 3: A units in an interconnection queue that do not meet the Tier 2 requirement.

[44] AESO: Project has completed Stage 4: the Alberta Utilities Commission (AUC) has issued a Permit and License (AESO-specific)
[45] AESO: Project has completed Stage 4: the Alberta Utilities Commission (AUC) has issued a Permit and License (AESO-specific)

Reserve Margin Descriptions
Planning Reserve Margins: The primary metric used to measure resource adequacy defined as the difference in resources (anticipated or prospective) and net internal demand divided by net internal demand, shown as a percentile
Anticipated Reserve Margin (ARM): The amount of anticipated resources less net internal demand calculated as a percentage of net internal demand
Prospective Reserve Margin (PRM): The amount of prospective resources less net internal demand calculated as a percentage of net internal demand
Reference Margin Level (RML): 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, system planners use this metric is 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 increased 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/RTO, or other regulatory body. In some cases, the RML is a requirement. RMLs can fluctuate over the duration of this assessment period or may be different for the summer and winter seasons. If an RML is not provided by a given assessment area, NERC applies 15% for predominately thermal systems and 10% for predominately hydro systems.

Methods and Assumptions

How NERC Defines BPS Reliability

NERC defines the reliability of the interconnected BPS in terms of two basic and functional aspects:

- **Adequacy:** The ability of the electric system to supply the aggregate electric power and energy requirements of the electricity consumers at all times, taking into account scheduled and expected unscheduled outages of system components
- **Operating Reliability:** The ability of the electric system to withstand sudden disturbances, such as electric short circuits or unanticipated loss of system components

When extreme or otherwise unanticipated conditions result in a resource shortfall, system operators take controlling actions or implement procedures to maintain a continual balance between supply and demand within a balancing area (formerly control area); these actions include the following:

- Public appeals
- Interruptible demand that the end-use customer makes available to its LSEs via contract or agreement for curtailment[46]
- Voltage reductions (sometimes referred to as “brownouts” because incandescent lights will dim as voltage is lowered, sometimes as much as 5%)
- Rotating blackouts (The term “rotating” is used because each set of distribution feeders is interrupted for a limited time, typically 20–30 minutes, and then those feeders are put back in service and another set is interrupted, rotating the outages among individual feeders.)

System disturbances affect operating reliability when they cause the unplanned and/or uncontrolled interruption of customer demand. When these interruptions are contained within a localized area, they are considered unplanned interruptions or disturbances. When interruptions spread over a wide area of the grid, they are referred to as “cascading blackouts,” the uncontrolled successive loss of system elements triggered by an incident at any location.

The BES is a defined subset of the BPS that includes all facilities necessary for the reliable operation and planning of the BPS.[47] NERC Reliability Standards are intended to establish requirements for BPS owners and operators so that the BES delivers an adequate level of reliability (ALR),[48] which is defined by the following characteristics.

- **Adequate Level of Reliability:** It is the state that the design, planning, and operation of the BES will achieve when the following reliability performance objectives are met:
  - The BES does not experience instability, uncontrolled separation, cascading,[49] and/or voltage collapse under normal operating conditions or when subject to predefined disturbances.[50]
  - BES frequency is maintained within defined parameters under normal operating conditions and when subject to predefined disturbances.
  - BES voltage is maintained within defined parameters under normal operating conditions and when subject to predefined disturbances.
  - Adverse reliability impacts on the BES following low-probability disturbances (e.g., multiple BES contingences, unplanned/uncontrolled equipment outages, cyber security events, malicious acts) are managed.

[46] Interruptible demand (or interruptible load) is a term used in NERC Reliability Standards. See Glossary of Terms used in Reliability Standards: NERC Glossary of Terms
[47] BES Definition
[48] NERC Informational Filing (to FERC) on the Definition of Adequate Level of Reliability, Docket Number RR06-1, May 10, 2013.
[49] NERC’s Glossary of Terms defines Cascading: “Cascading results in widespread electric service interruption that cannot be restrained from sequentially spreading beyond an area predetermined by studies.”
[50] NERC’s Glossary of Terms defines Disturbance: “1. An unplanned event that produces an abnormal system condition. 2. Any perturbation to the electric system. 3. The unexpected change in ACE that is caused by the sudden failure of generation or interruption of load.”

- Restoration of the BES after major system disturbances that result in blackouts and widespread outages of BES elements is performed in a coordinated and controlled manner.

How NERC Evaluates Reserve Margins in Assessing Resource Adequacy

PRMs are calculated by finding the difference between the amount of projected on-peak capacity and the forecasted peak demand and then dividing this difference by the forecasted peak demand. Each assessment area has a peak season, summer or winter, for which its peak demand is higher. PRMs used throughout this LTRA are for each assessment area's peak season listed in the load forecasting table of the **Demand Assumptions and Resource Categories**.

NERC assesses resource adequacy by evaluating each assessment area's PRMs relative to its RML—a "target" or requirement based on traditional capacity planning criteria. The projected resource capacity used in the evaluations is reduced by known operating limitations (e.g., fuel availability, transmission limitations, environmental limitations) and compared to the RML, which represents the desired level of risk based on a probability-based loss-of-load analysis. On-peak resource capacity reflects expected output at the hour of peak demand. Because the electrical output of VERs (e.g., wind and solar) depend on weather conditions, on-peak capacity contributions are less than nameplate capacity. Based on the five-year projected reserves compared to the established RMLs, NERC determines the risk associated with the projected level of reserve and concludes in terms of the following:

Adequate: The ARM is greater than RML.

Marginal: The ARM is lower than the RML and the PRM is higher than RML.

Inadequate: The ARM and PRMs are less than the RML and Tier 3 resources are unlikely to advance.

Metrics for Probabilistic Evaluation Used in this Assessment

Probabilistic Assessment: Biennially, NERC conducts a probabilistic evaluation as part of its resource adequacy assessment and publishes results in the LTRA.

Loss-of-Load Hours: LOLH is generally defined as the expected number of hours per time period (often one year) when a system's hourly demand is projected to exceed the generating capacity. This metric is calculated by using each hourly load in the given period (or the load duration curve).

LOLH is evaluated using all hours rather than just peak periods. It can be evaluated over seasonal, monthly, or weekly study periods. LOLH does not inform of the magnitude or the frequency of loss-of-load events, but it is used as a measure of their combined duration. LOLH is applicable to both small and large systems and is relevant for assessments covering all hours (compared to only the peak demand hour of each season). LOLH provides insight to the impact of energy limited resources on a system's reliability, particularly in systems with growing penetration of such resources. Examples of such energy limited resources include the following:

- DR programs that can be modeled as resources with specific contract limits, including hours per year, days per week, and hours per day constraints
- EE programs that can be modeled as reductions to load with an hourly load shape impact
- Distributed resources (e.g., BTM solar PV) that can be modeled as reductions to load with an hourly load shape impact
- VERs can be modeled probabilistically with multiple hourly profiles

Expected Unserved Energy: EUE is the summation of the expected number of megawatt hours of demand that will not be served in a given time period as a result of demand exceeding the available capacity across all hours. EUE is an energy-centric metric that considers the magnitude and duration for all hours of the time period and is calculated in MWhs. This measure can be normalized based on various components of an assessment area (e.g., total of peak demand, net energy for load). Normalizing the EUE provides a measure relative to the size of a given assessment area (generally in terms of parts per million or ppm).

EUE is the only metric that considers magnitude of loss-of-load events. With the changing generation mix, to make EUE a more effective metric, hourly EUE for each month provides insights on potential adequacy risk during shoulder and nonpeak hours. EUE is useful for estimating the size of loss-of-load events so the planners can estimate the cost and impact. EUE can be used as a basis for reference reserve margin to determine capacity credits for VERs. In addition, EUE can be used to quantify the impacts of extreme weather, common mode failure, etc.

NERC is not aware of any planning criteria in North America based on EUE; however, in Australia, the Australian Energy Market Operator is responsible for planning using 0.002% (20 ppm) EUE as their energy adequacy requirement.[51] This requirement incorporates economic factors based on the risk of load shedding and the value of load loss along with the load-loss reliability component.

On the basis of the two years of the ProbA results, NERC determines the risk in terms of the following:

Normal Risk: Negligible amounts of LOLH and EUE.

Periods of Risk: LOLH < 2 Hours and EUE < 0.002% of total annual net energy.

Significant Risk: LOLH > 2 Hours and EUE > 0.002% of total annual net energy.

Understanding Demand Forecasts

Future electricity requirements cannot be predicted precisely. Peak demand and annual energy use are reflections of the ways in which customers use electricity in their domestic, commercial, and industrial activities. Therefore, the electric industry continues to monitor electricity use and generally revise its forecasts on an annual basis or as its resource planning requires. In recent years, the difference between forecast and actual peak demands have decreased, reflecting a trend toward improving forecasting accuracy.

The peak demand and annual net energy for load projections are aggregates of the forecasts of the individual planning entities and LSEs. These resulting forecasts reported in this LTRA are typically "equal probability" forecasts. That is, there is a 50% chance that the forecast will be exceeded and a 50% chance that the forecast will not be reached.

Forecast peak demands, or total internal demand, are electricity demands that have already been reduced to reflect the effects of DSM programs, such as conservation, EE, and time-of-use rates; it is equal to the sum of metered (net) power outputs of all generators within a system and the metered line flows into the system less the metered line flows out of the system. Thus, total internal demand is the maximum (hourly integrated) demand of all customer demands plus losses. The effects of DR resources that are dispatchable and controllable by the system operator, such as utility-controlled water heaters and contractually interruptible customers, are not included in total internal demand. Rather, the effects of dispatchable and controllable DR are included in net internal demand.

Future Transmission Project Categories

- **Under Construction:** Construction of the line has begun.
- **Planned** (any of the following):
  - Permits have been approved to proceed
  - Design is complete
  - Needed in order to meet a regulatory requirement

- **Conceptual** (any of the following):
  - A line projected in the transmission plan
  - A line that is required to meet a NERC TPL standard or power-flow model and cannot be categorized as "Under Construction" or "Planned"

Other projected lines that do not meet requirements of "Under Construction" or "Planned"

[51] https://wa.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/NEM_ESOO/2018/2018-Electricity-Statement-of-Opportunities.pdf

Summary of Planning Reserve Margins and Reference Margin Levels by Assessment Area

Reference Margin Levels for Each Assessment Area (2025–2029)					
Assessment Area	**Reference Margin Level**	**Assessment Area Terminology**	**Requirement?**	**Methodology**	**Reviewing or Approving Body**
MISO	2024-2025 Summer: 9.0% Fall: 14.2% Winter: 27.4% Spring (2025): 26.7%	Planning Reserve Margin	Yes: Established Annually[52]	0.1 day/Year Loss of Load Expectation (LOLE)	MISO
MRO-Manitoba Hydro	12.0%	Reference Margin Level	No	0.1 day/Year LOLE	Reviewed by the Manitoba Public Utilities Board
MRO-SaskPower	15.0%	Reference Margin Level	No	EUE and Deterministic Criteria	SaskPower
MRO-SPP	19.0%	Resource Adequacy Requirement	Yes: studied on Biennial Basis	0.1 day/Year LOLE	SPP Staff, Stakeholders, SPP Regional State Committee.
NPCC-Maritimes	20.0%[53]	Reference Margin Level	No	0.1 day/Year LOLE	Maritimes Sub-areas; NPCC
NPCC-New England	11.3–12.7%	Installed Capacity Requirement	Yes: three year requirement established annually	0.1 day/Year LOLE	ISO-NE, NPCC Criteria
NPCC-New York	15.0%[54]	Installed Reserve Margin	Yes: one year requirement, established annually by NYSRC based on full installed capacity values of resources	0.1 day/Year LOLE	NYSRC, NPCC Criteria
NPCC-Ontario	8.6–19.5%	Reserve Margin Requirement	Yes: established annually for all years	0.1 day/Year LOLE	IESO, NPCC Criteria
NPCC-Québec	10.9–11.8%	Reference Margin Level	No: established Annually	0.1 day/Year LOLE	Hydro-Québec, NPCC Reliability Coordinating Committee
PJM	17.6–17.7%	Installed Reserve Margin	Yes: established Annually for each of three future years	0.1 day/Year LOLE	PJM Board of Managers, ReliabilityFirst BAL-502-RFC-02 Standard
SERC-Central	15.0%[55]	Reference Margin Level	No: NERC-Applied 15%	SERC Performs 0.1 day/Year LOLE	Reviewed by Member Utilities

[52] In MISO, the states can override the MISO PRM.

[53] The 20% RML is used by the individual jurisdictions in the Maritimes area with the exception of Prince Edward Island, which uses a margin of 15%. Accordingly, 20% is applied for the entire area.

[54] The NERC LTRA RML for NY is 15%; however, there is no PRM criteria in New York. Wind, grid-connected solar, and run-of-river totals were derated for this calculation. Additionally, the NYISO uses probabilistic assessments to evaluate its system's resource adequacy against the LOLE resource adequacy criterion of 0.1 days/year. However, New York requires LSEs to procure capacity for their loads equal to their peak demand plus an IRM. The IRM requirement represents a percentage of capacity above peak load forecast and is approved annually by the New York State Reliability Council (NYSRC). NYSRC approved the 2025/2026 IRM at 24.4%. All values in the IRM calculation are based upon full installed capacity (ICAP) MW values of resources, and it is identified based on annual probabilistic assessments and models for the upcoming capability year.

[55] SERC does not provide RMLs or resource requirements for its sub-areas. However, SERC members perform individual assessments to comply with any state requirements.

Reference Margin Levels for Each Assessment Area (2025–2029)					
Assessment Area	Reference Margin Level	Assessment Area Terminology	Requirement?	Methodology	Reviewing or Approving Body
SERC-East	15.0%[56]	Reference Margin Level	No: NERC-Applied 15%	SERC Performs 0.1 day/Year LOLE	Reviewed by Member Utilities
SERC-Florida Peninsula	15.0%[57]	Reliability Criterion	No: Guideline	0.1 day/Year LOLP	Florida Public Service Commission
SERC-Southeast	15.0%[58]	Reference Margin Level	No: NERC-Applied 15%	SERC Performs 0.1 day/Year LOLE	Reviewed by Member Utilities
Texas RE-ERCOT	13.75%	Target Reserve Margin	No	0.1 day/Year LOLE plus adjustment for non-modeled market considerations	ERCOT Board of Directors
WECC-AB	9.0–13.6%	Reference Margin Level	No: Guideline	Based on a conservative .02% threshold	WECC[59]
WECC-BC	9.8–12.8%	Reference Margin Level	No: Guideline	Based on a conservative .02% threshold	WECC[53]
WECC-CA/MX[60]	14.9–17.4%	Reference Margin Level	No: Guideline	Based on a conservative .02% threshold	WECC[53]
WECC-NW	13.8–16.3%	Reference Margin Level	No: Guideline	Based on a conservative .02% threshold	WECC[53]
WECC-SW	9.4–12.0%	Reference Margin Level	No: Guideline	Based on a conservative .02% threshold	WECC[53]

[56] SERC does not provide RMLs or resource requirements for its sub-areas. However, SERC members perform individual assessments to comply with any state requirements.
[57] SERC-FP uses a 15% reference reserve margin as approved by the Florida Public Service Commission for non-IOUs and recognized as a voluntary 20% reserve margin criteria for IOUs; individual utilities may also use additional reliability criteria.
[58] SERC does not provide RMLs or resource requirements for its sub-areas. However, SERC members perform individual assessments to comply with any state requirements.
[59] WECC's RML in this table is for the hour of peak demand. Some hours in the year require a higher reserve margin to meet the 0.02% reliability criteria due to the variability in resource availability and resource performance characteristics.
[60] California is the only state in the Western Interconnection that has a wide-area RML, currently 17.5%: https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage,

Recommendations and ERO Actions Summary

In addition to the recommendations in the Executive Summary, NERC recommends continued progress in areas identified previously in NERC's LTRA and other assessment reports. The ERO, industry, vendors/manufacturers, and stakeholders should continue acting on the following recommendations to inform system and operations planning, develop the transmission network, and address resource performance issues attributed to IBR characteristics, cold weather, and fuel supply limitations. The ERO has a range of activities underway to monitor, assess, and reduce long-term BPS reliability risks. The selected ERO activities summarized below will result in new or enhanced Reliability Standards requirements, reliability guidelines, resources, or significant findings and actionable steps for stakeholders to address reliability risks.

LTRA Recommendations and Ongoing ERO Actions

Add new resources with needed reliability attributes and make existing resources more dependable.

1. **Use enhanced resource adequacy and energy risk assessments for determining resource needs:** PRMs are not sufficient for measuring resource adequacy for most areas because VERs and generator fuel supply issues expose additional energy risks. Resource Planners and wholesale markets need to use enhanced modeling that accounts for energy risks, such as all-hours probabilistic assessments. Multi-metric criteria applied to results from probabilistic studies that include load loss, unserved energy, event magnitude, and event duration will support achieving the levels of reliability that are required for modern society.
2. **Address performance deficiencies with existing and future inverter-based resources:** Reliably integrating IBRs onto the grid is paramount, and evidence indicates that the risk of grid vulnerabilities from interconnection practices and IBR performance issues are growing. IBRs include most solar and wind generation as well as new BESS or hybrid generation and account for 85% of the new generation in development for connecting to the BPS. IBRs respond to disturbances and dynamic conditions based on programmed logic and inverter controls. The tripping of BPS-connected solar PV generating units and other control system behavior during grid faults has caused sudden loss of generation resources (over wide areas in some cases). Industry experience with unexpected tripping of BPS-connected solar PV generation units can be traced back to the 2016 Blue Cut fire in California, and similar events have occurred in new geographic areas as recently as the summer of 2023.[61] A common thread with these events is the lack of IBR ride-through capability that causes a minor system disturbance to become a major disturbance. Based on the findings of a recent NERC alert, more ride-through and ERS capabilities can be enabled within existing solar PV resources to improve performance and support the reliable operation of the BPS.[62] Industry adoption of the recommended practices set forth in NERC reliability guidelines and the NERC alert will reduce risks from IBR performance issues to the grid as NERC also develops mandatory Reliability Standards based on those reliability guidelines. It is also critically important for interconnection processes to include accurate modeling and studies requirements.[63] Guided by NERC's comprehensive Inverter-Based Resources Strategy and in response to FERC Order No. 901, the ERO, industry, and manufacturers should take additional steps to ensure that IBRs operate reliably and that the system is planned with due consideration for their characteristics.[64,65]
3. **Improve the performance of the generating fleet in extreme cold temperatures:** The ERO and industry need to complete enhanced requirements for generator cold-weather performance to address reliability related findings from the FERC, NERC, and Regional Entity joint staff inquiry into the February 2021 cold weather grid outages.[66] Revisions to Reliability Standard EOP-012-2 will improve the effectiveness of the standard and speed the implementation of corrective actions necessary to address unacceptable freezing issues. Findings of the inquiry into Winter Storm Elliott (December 2022) reinforce the urgency of this effort.[67]

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[61] See the ERO's extensive IBR event reporting here: NERC Major Event Reports
[62] The NERC Level 2 alert to gather data from solar PV resource owners and issue recommendations can be found here: *Industry Recommendation: Inverter-Based Resource Performance Issues*.
[63] NERC's comprehensive initiatives to reduce IBR risks are detailed here: IBR Quick Reference Guide
[64] NERC IBR Activities
[65] Order No. 901 Work Plan
[66] *The February 2021 Cold Weather Outages in Texas and the South Central United States | FERC, NERC and Regional Entity Staff Report*
[67] *Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliott*

LTRA Recommendations and Ongoing ERO Actions		
4. **Mitigate fuel-related risks to electricity generation (fuel assurance):** In addition to serving as base and intermediate-load plants, natural-gas-fired generation has become a necessary balancing resource that enables reliable integration of VERs into the dispatch. As a result, the BES has never been more dependent upon the round-the-clock continuity of just-in-time natural gas delivery. The past two winters have seen interruptions of natural gas delivery to generators that resulted in energy deficiencies. Collaborative assessments involving NERC, the Regional Entities, the National Labs, and natural gas and electric power industry participants are needed to identify natural gas fuel supply needs for reliable operation of the BPS. NERC strongly endorses actions to establish reliability rules for the natural gas infrastructure necessary to support the grid as recommended in the Winter Storm Elliott report. Additionally, as part of future transmission and resource planning studies, planning entities will need to more fully understand how impacts to the natural gas transportation system can impact electricity reliability. The NERC reliability guideline, *Fuel Assurance and Fuel-Related Reliability Risk Analysis for the Bulk Power System,* provides planning guidance.[68]		
Initiative	**Description**	**Product/Reliability Solution**
Cold Weather Reliability Standards and Activities	New cold weather Reliability Standards adopted by the NERC Board of Trustees in June 2021 went into effect in the United States in 2023. Generator Owners and Generator Operators are required to implement plans for cold weather preparedness and provide cold weather operating parameters to their Reliability Coordinators, Transmission Operators, and Balancing Authorities for use in operating plans. Additional Reliability Standard requirements have been developed by NERC and industry to address further recommendations of the *FERC-NERC-Regional Entity staff report—The February 2021 Cold Weather Outages in Texas and Southcentral United States*. The NERC Board adopted these requirements in October 2023 and directed NERC to file them with regulatory authorities for approval and industry implementation. NERC and the industry are currently developing the remaining Reliability Standard enhancements to address the staff report. Refer to *Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination* on NERC's standards development page.[69]	Reliability Standards NERC Alerts Event Analysis Reports Lessons Learned
Inverter-Based Resources Strategy	NERC's IBR strategy includes four key focus areas: Risk Analysis, Interconnection Process Improvements, Sharing Best Practices and Industry Education, and Regulatory Enhancements. The statuses of NERC's extensive activities in each area are described in detail in the *IBR Activities Reference Guide*.[70] NERC has investigated and analyzed IBR performance issues during grid disturbances dating back to 2016. Since that time, NERC and its technical groups have published a range of reliability guidelines for studying, modeling, controlling, and interconnecting IBRs. In partnership with many experts from across the industry, NERC maintains an active campaign of education, awareness, and outreach to support its strategy and reduce IBR performance risks. NERC and the RSTC recognized that Reliability Standard requirements would be needed as part of a comprehensive approach to reliability and undertook a full review of existing standards to identify gaps. Several reliability standards projects were initiated following this review. In October 2023, FERC issued Order No. 991, which provided clear direction for the industry to develop requirements that address reliability gaps related to IBR in data sharing, model validation, planning and operational studies, and performance requirements.	Reliability Standards NERC Alerts Reliability Guidelines Event Analysis Reports Lessons Learned Educational Webinars

[68] Informed by severe weather events of the past two winters, the 2023 triennial review of the NERC reliability guideline, *Fuel Assurance and Fuel-Related Reliability Risk Analysis for the Bulk Power System*, incorporated the *Design Basis for Natural Gas Study* developed by the ERO in 2022. The revised Guideline also identifies as fuel risks requiring evaluation many of the scenarios industry has encountered during recent periods of extreme cold weather and high demand for natural gas. The revised guideline is under review with the Reliability and Security Technical Committee. The approved and revised draft guideline can be found on the RSTC website: NERC Reliability and Security Guidelines

[69] Project 2021-07

[70] IBR Activities

LTRA Recommendations and Ongoing ERO Actions

	FERC issued an order in 2022 directing NERC to identify and register owners and operators of currently unregistered bulk power system-connected IBRs.[71] Working closely with industry and stakeholders, NERC is executing a FERC-approved work plan to achieve the identification and registration directive by 2026. Resources are also posted on the Registration page of the NERC website.	
Natural Gas-Electric Interdependence Initiatives	Informed by severe weather events of the past two winters, the 2023 triennial review of the NERC reliability guideline, *Fuel Assurance and Fuel-Related Reliability Risk Analysis for the Bulk Power System*, incorporated the *Design Basis for Natural Gas Study* developed by the ERO in 2022. The revised guideline also identifies the fuel risks encountered by industry during recent periods of extreme cold weather and high demand for natural gas. These natural gas supply risks can inform industry's development of planning scenarios. The revised guideline is under review with the RSTC. Refer to the RSTC-Approved Documents page.[72]	Reliability Guideline

Expand the transmission network to deliver supplies from new resources and locations to serve changing loads.

5. **Develop the transmission network:** ISOs and RTOs should continue looking for opportunities to streamline transmission planning processes and reduce the time required for transmission development. However, addressing the siting and permitting challenges that are the most common cause for delayed transmission projects will require regulators and policymakers at the federal, state, and provincial levels to focus attention and provide support.

Initiative	Description	Product/Reliability Solution
Interregional Transfer Capability Study (ITCS)	NERC completed the ITCS required by the Fiscal Responsibility Act of 2023 and filed the final report with FERC on November 19, 2024. The ITCS is the first-of-its-kind assessment of transmission transfer capability under a common set of assumptions. However, the ITCS is not a transmission plan or blueprint. Transmission expansion analysis, resource plans, and other inputs must be considered in effective system planning. The ITCS is designed to provide foundational insights that facilitate stakeholder analysis and actions. Due to the interconnected nature of the BPS, NERC will extend the study beyond the congressional mandate to identify and make recommendations for transfer capabilities from the United States to Canada and among Canadian provinces. The Canadian analysis will be published in 2025. See **Interregional Transfer Capability Study (**ITCS).	ERO Study and Recommendations

[71] FERC Order Issued November 17, 2022
[72] RSTC Approved Documents

LTRA Recommendations and Ongoing ERO Actions

Adapt BPS planning, operations, and resource procurement markets and processes to the realities of a more complex power system.

6. **Use enhanced resource adequacy and energy risk assessments for determining resource needs:** PRMs are not sufficient for measuring resource adequacy for most areas because VERs and generator fuel supply issues expose additional energy risks. Resource Planners and wholesale markets need to use enhanced modeling that accounts for energy risks, such as all-hours probabilistic assessments. Multi-metric approaches to resource adequacy using load loss, unserved energy, and event magnitude and duration criteria and results from probabilistic studies will support achieving the levels of reliability that are required for modern society.

7. **Resource contributions must be accurately represented in resource planning, wholesale electricity markets, and operating models:** Resource Planners and wholesale market designers must use appropriate methods for determining the contribution of resources to meeting demand. Weather-dependent resources, fuel supplies, and demand profiles result in seasonal risks. This can be seen in the increasing winter resource adequacy risks observed in the 2024 ProbA for many traditionally summer-peaking areas. ISO/RTOs can help reduce seasonal risks by implementing seasonal resource adequacy procurement (e.g., spring, summer, fall, winter) based on reserve requirements and resource performance that are tailored to each season. The explosive growth of BESS and hybrid resources seen in most areas requires additional details to be incorporated into operating and planning models, such as state of charge, BESS duration, and BESS operating mode.

8. **Maintain sufficient amounts of flexible resources and essential reliability services:** To maintain load-and-supply balance in real-time with higher penetrations of variable supply and less-predictable demand, dispatchable generators must be available and capable of following changing electricity demand. Retirements of fossil-fired generators are reducing the amounts of dispatchable generation in many areas. As more solar PV and wind generation is added, additional flexible resources are needed to offset these resources' variability, such as supporting solar down ramps when the sun goes down and complementing wind pattern changes. Natural-gas-fired generators and hydro generators have traditionally provided this ERS. Battery resources can provide flexibility during short durations, while new wind and solar PV have minimal assured flexibility. Maintaining ERSs is critically important. Resource Planners and wholesale electricity market operators should ensure resources are procured and made available in the long-range resource portfolio as part of the planning process; markets and other mechanisms need to be in place to deliver weather-ready resources with sufficient energy and ERS capabilities to the operators. [73]

9. **Include energy risks and extreme weather scenarios in resource and system planning:** Industry and regulators need to conduct all-hours analyses for evaluating and establishing resource adequacy and include extreme conditions in integrated resource planning and wholesale market designs. While more sophisticated capabilities for assessing extreme event risk are being developed, scenario planning can be more readily incorporated in resource and system planning. Scenarios should consider the potential effects of wide-area, long-duration extreme weather events, including the impact they can have on natural gas fuel supplies and on the interconnected energy system. NERC and the industry should continue to prioritize completion of new reliability standards supporting energy assurance in operating and planning time horizons, and for the assessment of extreme heat and cold weather events in transmission system planning.

10. **Accommodate the growth of DERs:** Preparing the grid to operate with increasing levels of distributed resources is a priority for most areas. Data sharing, models, and information protocols are needed to support BPS planners and operators. Industry must continue to evaluate potential reliability concerns associated with increasing DER penetration and DER performance and, when necessary, develop reliability standards requirements to address identified gaps. DER aggregators will also play an increasingly important role for BPS reliability in the coming years. ISO/RTOs must consider how the implementation of DER aggregators in the wholesale market will affect BPS planning and operations.[74]

[73] NERC ERS Measure 6 Forward Tech Brief

[74] A comprehensive guide to ERO activities on DERs can be found here: DER Activities

LTRA Recommendations and Ongoing ERO Actions		
Initiative	**Description**	**Product/Reliability Solution**
Energy Assessments Initiatives	NERC conducts seasonal long-term and probabilistic reliability assessments and issues reports like this *2024 LTRA* to advise industry and stakeholders of findings on BPS adequacy, including energy adequacy. In recent years, NERC has enhanced the energy risk analysis in seasonal assessments by incorporating deterministic energy risk scenarios and introducing probability-based assessments. NERC's ProbA uses hourly simulations to examine the ability of resources to meet demand over the entire study year, helping to identify energy risks that could otherwise go unaddressed by peak hour reserve margin resource adequacy analysis. NERC reliability assessments continue to evolve as more sophisticated energy assessment tools, models, and capabilities are developed. The RSTC created the Energy Reliability Assessment Working Group (ERAWG) to support wide adoption of technically sound approaches to energy assessments by BPS planners and operators. Working group projects and activities are described on the ERAWG page.[75] The working group is developing a technical reference document to inform registered entities on approaches and considerations for assessing and reducing the risk of energy shortfalls. New and revised Reliability Standards requirements for BPS planners and operators to address energy risks are in development in Project 2022-03 *Energy Assurance with Energy Constrained Resources.*[76] In other Reliability Standard development work, Project 2023-07 *Transmission System Planning Performance Requirements for Extreme Weather* requirements are being developed that will ensure entities consider extreme heat and cold weather scenarios in BPS planning, including the expected availability of the future resource mix.[77]	Reliability Assessments Reliability Standards
Distributed Energy Resources Strategy	NERC has proactively worked with industry stakeholders to identify BPS reliability risks associated with the increasing DER levels and has initiated actions to support broad awareness and education as well as to provide guidance for industry and enhance Reliability Standards where gaps exist. The status of NERC's extensive activities in each area are described in detail in the *DER Activities Reference Guide*.[78]	Reliability Standards Reliability Guidelines Educational Webinars
4: Strengthen relationships among reliability stakeholders.		
Initiative	**Description**	**Product/Reliability Solution**
Ongoing Strategic Engagements	NERC and the Regional Entities engage in frequent dialogue and conduct outreach with regulators and policymakers at the state/provincial, regional, and federal/national levels.	Constructive Partnerships

[75] ERAWG
[76] Project 2022-03
[77] Project 2023-07
[78] DER Activities