

Renewable Energy Question 27: Has Michigan, or have other jurisdictions, incentivized flexible, fast-ramping non-renewable generation as a part of or a complement to the renewable standard? Why or why not?

Executive Summary

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Midwest ISO currently manages the volatility inherent in energy produced from renewable resources through redispatch of non-renewable resources, curtailment of renewable resources, or the commitment of peaking resources. The volatility in energy production, and Midwest ISO's management of that volatility, has increased with the growing volume of renewable generation, especially wind generation.

In 2010, the Independent Market Monitor (IMM), the independent entity responsible for assessing the competitive performance of the Midwest Energy Markets administered by Midwest ISO, recommended a ramp capability product be introduced by Midwest ISO to address the volatility of renewable resources. The ramp capability product consists of establishing ramp capability targets along with economic values for the ramp capability (e.g., a ramp capability demand curve). Midwest ISO agreed with the IMM's concept and has been working on a conceptual design. The current schedule calls for conceptual design to be completed by the second quarter of 2013.