

Date: April 29, 2022

To: Scott Wright
MISO Executive Director, Market Development and Design

From: Michelle Bloodworth
Vice Chair, Affiliate Sector
President and CEO of America's Power

Subject: Coal Retirements

I am writing to follow up on a brief exchange between the Affiliate Sector and MISO staff that occurred during an April 27 presentation titled "Improvements to Att Y Retirement Process" to the Planning Advisory Committee.

Slide 3 of the presentation states that 51,000 MW of coal-fired generation nationwide are expected to retire during the 2022-2027 period. The retirement figure is based on an article that summarizes the results of analysis by S&P. We want to provide additional information that we hope will be helpful to MISO and the Planning Advisory Committee.

First, our own analysis of coal retirements is roughly consistent with the S&P analysis because both are based on public announcements of coal retirements, not modeling. Our analysis shows slightly more retiring coal capacity (almost 54,500 MW) nationwide over the same period, but we do not consider the difference between S&P's analysis (51,000 MW) and our analysis (54,500 MW) to be meaningful for current purposes.

Second, our analysis indicates that MISO's announced coal retirements total 19,300 MW during 2022-2027. (The April 27 presentation by MISO staff did not include MISO coal retirements.) This means that **35 percent** of MISO's coal fleet will retire within the next 5 years. These retiring coal units generated an annual average of 16 percent of MISO's energy during 2019-2021 and operated at an average capacity factor of slightly more than 50 percent. If the timeframe is extended to 2030, our analysis shows 27,300 MW of MISO coal retirements, which means that **approximately half** the MISO coal fleet will retire within the next 8 years.

Although concerning enough by themselves, **these figures do not include retirements that will result from new EPA regulations** including, but not limited to, the Cross-State Air Pollution Rule, Regional Haze Rule, a replacement for the Affordable Clean Energy rule, a revised Mercury and Air Toxics Standards rule, revised Effluent Limitations Guidelines, and the implementation of likely revisions to the current ambient air quality standards for ozone and fine particles. For example, our analysis of emission controls shows that slightly more than 30,000 MW of MISO's existing coal capacity is at risk of having to install selective catalytic reduction to reduce NOx emissions and/or flue gas desulfurization to reduce SO2 emissions.

Additional emission controls would trigger more MISO coal retirements, the only question is how many retirements. Unless steps are taken to minimize retirements, **more than half** the MISO coal fleet is all but certain to retire by 2030, if not earlier, because we estimate that the largest number of coal retirements due to expected EPA regulations will take place in the 2026-2028 timeframe. We are concerned that these facts about future coal retirements might not have received the attention they deserve.

We hope this information is helpful to MISO, its members, and the states in identifying reliability challenges. Please do not hesitate to let us know if you need additional information.

Copy to:

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