



Joint and Common Market

# **FREEZE DATE ALTERNATIVES**



# Background

- Reference date of April 1, 2004, known as “Freeze Date”, is used as mechanism to determine firm rights on flowgates based on pre-market firm flows.
- As we move further away from the current Freeze Date (>15 years), issues with the current date have become prominent.
- RTOs and their stakeholders agreed that there is a need to work on Freeze Date alternatives.

# Phase II – Freeze Date Solution Update

FFE

- CMPWG is close to completing white paper based on the agreed upon FFE solution

FFL

- Evaluating whether FFE solution will work for FFL
- CMPWG exploring alternative to address non-markets concern

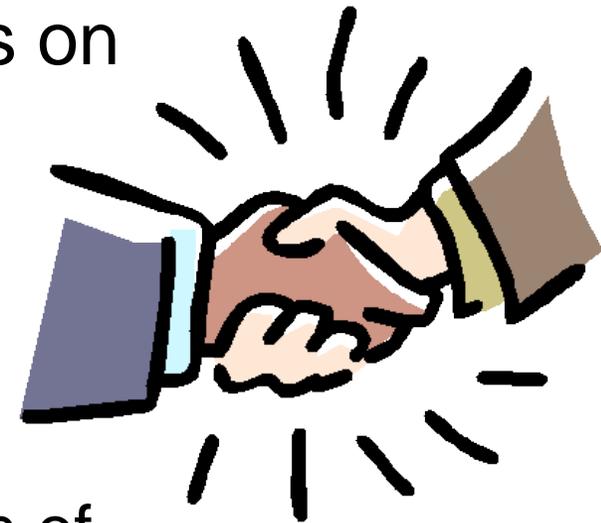
CMPWG  
Priority

- CMPWG/CMPC vote on full FFE solution
- Post whitepaper for stakeholders before March 2020

# CMPC Motion for Path Forward

Approved motion to move forward with a market only FFE solution. CMPWG will also continue discussions on a FFL solution. This includes the following:

- Finalize Whitepaper for FFE
- Develop final CMP and JOA changes for FFE
- Engage OATI for cost and time estimates
- Communication to stakeholders
- Determine implementation and filing date after return of OATI estimates
  - It is expected to be known by this point whether a potential FFL solution is agreeable to all parties and can be incorporated with FFE solution



# Proposed Solution: Allocations of FFE Involves 4 Steps

## Step 1

### Bucket 1

- Active DNR/NRs (2004 and earlier)
- Active Historic TSRs
- LBA Granularity

## Step 2

### Bucket 2

- Active DNR/NRs (Post 2004)
- Active TSRs (Post 2004)
- LBA Granularity
- Priority Rights

## Step 3

### Bucket 3

- Transfers (limited) Excess LBAs serve short LBAs
- LBA Granularity
- Priority Rights
- 8 Year Transition period to retire

## Step 4

### Bucket 4

- Market wide transfers based on planning
- RTO Granularity
- Priority Rights
- Excess to Owner

Total Impact = Bucket 1+ Bucket 2+ Bucket 3 +Prevailing Bucket 4

# Impact Calculation Methodology

Impact calculation refers to the calculation of firm transmission reservation impacts and generation-to-load impacts on flowgates which are then used in determining the allocations on each flowgate

$$\begin{aligned}\text{Total Impact on Flowgate} &= \text{Historic LBA impact} + \text{Prevailing bucket 4 impact} \\ &= (B1+B2+B3) + (PB4) \text{ impact}\end{aligned}$$

- Bucket 1
  - Serve active Freeze Date Inter-BA TSRs
  - Serve LBA Load using Freeze Date network resources
- Bucket 2
  - Serve remaining active Inter-BA TSRs
  - Serve LBA Load using Post Freeze Date network resources
- Bucket 3
  - Excess LBAs serve short LBAs on a pro-rata basis
- Bucket 4
  - Serve RTO Load using RTO Dispatch
  - Bucket 4 prevailing Impact = Bucket 4 RTO Impact - sum of B1, B2, B3 Impact

# Potential Solution to Non-Markets Concern

Non-Markets have concerns with Phase II proposal

- Concerned with increase in firm limits for markets due to inclusion of Post freeze date network resources & firm inter TSRs in bucket 2; which could lead to more TLR-5 firm curtailment obligations for Non-Markets

CMPWG Potential Solution (**Under discussion**)

- Mechanism to cut a portion of firm market flows before TLR 5 when TLR 3 (Non-Firm Market flow) does not provide adequate relief



# Review of the Market Flow Calculator to Align with Future FFE Calculations

- CMPWG has an agreement in principle on Freeze Date allocation changes as well as market flow calculator (MFC) alignment with FFE calculations
- CMPWG is finalizing the changes needed for each RTO's MFC to align with the Phase II FFE solution
  - MFC currently uses LBA GLDF (for Native MF) and Transfer GLDF (for Transfer MF)
  - The Freeze date FFE calculation will use RTO GLDF for PJM's impact calculations in bucket 4
  - The Freeze date FFE calculation will use Regional GLDF for MISO's impact calculations in bucket 4

Note: Acronym details in the appendix



# Next Steps

- Continue to work on FFL solution
- Post the White Paper detailing the FFE solution at the next JCM

# Tentative Timeline

Due Date	Action
Q1 2020	CMPWG Agreement on Phase II FFE Design
Q1 2020	White Paper Posting for FFE
Q2 2020	Review Final Phase II solution with Stakeholders
Q2 2020	OATI Cost Estimate
Q3 2020	Review CMP/JOA Changes with Stakeholders
Q3 2020	File CMP/JOA Changes with FERC
Q4 2020	Software Development & Testing
June 2021	Final Phase II Implementation

# Contacts

Solicit stakeholder feedback – send comments to:

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**APPENDIX**

# Acronyms Details

FFE: Firm Flow Entitlement

GSF: Generator Shift Factor

LSF: Load Shift Factor

GLDF: Gen to Load Distribution Factor

Native GLDF:  $GSF - LBA\ LSF$

Transfer GLDF:  $GSF - \text{Weighted LSF of short LBAs}$

RTO GLDF:  $GSF - BA\ LSF$

Regional GLDF:  $GSF - \text{Weighted LSF of Sinking Region}$