

Interregional Coordination Update



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MC Webinar
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MISO and PJM began hosting a series of Joint Stakeholder Meetings July 16, 2012 to continue discussions on JCM issues.

The most recent Joint Stakeholder meeting was held on November 15, 2016. The purposes of these meetings are to:

- Identify the most critical JCM issues to be addressed
- Establish the priority for addressing the issues identified
- Establish the framework for issue resolution



- Targeted Market Efficiency Project (TMEP)
 - Final JOA language filed December 30, 2016
 - JRPC recommends 5 projects with capital cost of approximately \$17 million and TMEP benefit of approximately \$100 million over 4 years (B/C 5.8)
 - Regional cost allocation filings targeted April 2017
 - Board recommendations upon filing approvals
- PJM long-term window for regional and interregional proposals closed on February 28, 2017
- Responses for FERC directives in NIPSCO Order expected in April



Interface Pricing Efforts

- Implementation of the collaborative solution to be effective June 1, 2017.
 - Utilize same interface definition in PJM and MISO.
 - No change in PJM's MISO interface definition.
- Monitoring process and mitigation options for post implementation being reviewed.
 - Post Implementation Metrics and Criteria document posted on PJM-MISO JCM website at below link

<http://www.jointandcommon.com/~media/committees-groups/stakeholder-meetings/pjm-miso-joint-common/20170228/20170228-item-03b-miso-pjm-interface-pricing-post-implementation-document.ashx>

- RTOs have set priorities to focus on for inputs to FFE calculation for collaborative solution
 - Designated Network Resource (DNR) eligibility for internal and external (Pseudo Tie) resources
 - Transmission Service Requests (TSRs) eligibility
 - Generation to Load impact/allocation threshold
 - Distribution of excess allocations
 - Granularity (LBA or RTO level)
- RTOs have reached a general consensus on the following high priority items
 - Allocations of FFE using a Bucket Approach
 - Pseudo Tie Resources: Agreement that no financial harm imposed on Host BA
 - RTO Planning Coordination to align Markets and Reliability
- Additional factors to FFE calculation include incremental upgrades, model updates, allocation sharing, and a transition plan.
- Targeted Straw proposal expected in March-April 2017



- PJM developed rules with stakeholders to provide consistent treatment of external and internal capacity resources in planning, modeling, and market areas.
 - PJM filed with FERC the proposed rules for new and existing pseudo-ties on March 9th
 - [http://www.pjm.com/media/documents/etariff/FercDockets/2149/r17-1138-000-External%20Capacity%20Filing%20\(W0118458-2x8DF47\).pdf](http://www.pjm.com/media/documents/etariff/FercDockets/2149/r17-1138-000-External%20Capacity%20Filing%20(W0118458-2x8DF47).pdf)
 - PJM will apply the new rules effective with the May 2017 Base Residual Auction.
- PJM is also pursuing a requirement for pseudo-tie resources and external balancing authorities to sign a pro-forma pseudo tie agreement, which is currently under current review, to be filed with FERC.
- MISO and PJM continue to discuss parallel efforts to review processes
 - Includes discussions from Freeze date initiative
 - Includes discussion of potential double counting



Miscellaneous JOA Changes to be filed in March 2017

- Day-ahead and FTR Firm Flow Entitlement adjustments to align with settlements
- MISO Bi-directional External Asynchronous Resource (EAR) treatment for market flows to be included in dynamic schedule tag priority
- Modifications of the JOA to include additional detail in section 4.1.1, Real-Time and Projects Operating Data, regarding additional notification between parties prior to a point of interconnection being permanently removed or added
- Modifications of the JOA to clean up section 11.2.4, Settlement of Interregional Transactions (via Proxy Buses), to refer to the M2M process



Redline language changes posted on PJM-MISO JCM site at below links:

- <http://www.jointandcommon.com/~media/committees-groups/stakeholder-meetings/pjm-miso-joint-common/20170228/20170228-item-05-cmp-updates.ashx>
- <http://www.jointandcommon.com/~media/committees-groups/stakeholder-meetings/pjm-miso-joint-common/20170228/20170228-item-05-miso-pjm-joa-updates.ashx>



- Issue status and drill down reports available at below websites:
 - [PJM/MISO Joint and Common Market Initiative](#)
 - [Joint and Common Market](#)
- No pending market-to-market settlement adjustments
- The 2017 JCM meeting schedule is:
 - May 23, 2017 MISO Offices, Carmel, IN
 - August 22, 2017 PJM Training Center, Valley Forge, PA
 - November 29, 2017 MISO Offices, Carmel, IN



The next joint stakeholder meeting will be hosted by PJM on Tuesday, May 23, 2017 at MISO Offices



Meeting materials will be posted approximately one week in advance at the [PJM/MISO Joint and Common Market Initiative](#) as well as the [Joint and Common Market](#) websites

Planning Issues

- Cross Border Planning Projects

Market Issues

- Interface Pricing
- Pseudo Tie Update
- Freeze Date Alternatives
- Misc. JOA changes

Administrative

- Update on M2M Settlement Adjustments
- Issue Status

- Con Edison provided the required one year notice to PJM on April 28, 2016 indicating Con Edison will not renew the 600/400 MW transmission service contract also known as the NY-PJM Wheel
 - Contract termination date is May 1, 2017
- PJM and NYISO developed a replacement protocol that focuses on open access
- Revisions to PJM-NYISO JOA filed on January 31, 2017

- NYIS interface definition
 - Updated effective May 1, 2017 to reflect the future protocol
 - New definition to be used in Annual ARR/FTR processes

- M2M Impacts
 - Existing M2M PAR Coordination on Ramapo PAR only for a subset of facilities with higher impact
 - http://www.nyiso.com/public/webdocs/markets_operations/market_data/reports_info/CoordinatedFlowsandEntitlements.mht
 - Post Wheel new/modified M2M PAR coordination anticipated on Ramapo, Waldwick, and Farragut PARs



- PJM and NYISO initiated a joint stakeholder process to discuss the modification of the NYISO-PJM Joint Operating Agreement (JOA) to develop an appropriate cost recovery mechanism for the purchase, installation and operation of two PARs at the Ramapo Substation which recently failed
- First meeting held on March 10, 2017 at PJM's offices
 - Provided education, discussed Scope, and began interest identification
- Next Joint stakeholder meeting scheduled for Tuesday, April 18, 2017 at NYISO's Offices.