WELCOME AND ANNOUNCEMENTS

Mr. Arness (MISO) called the meeting to order at 10:00 am, and provided opening remarks. The agenda was reviewed with the group. Mr. Arness reminded participants of the supplementary materials posted on today’s meeting page on the MISO website. Participants were also reminded that this is a public meeting and members of the media will be participating on the call.

MARKET RELATED ISSUES

1. **MARKET TO MARKET SETTLEMENTS ADJUSTMENTS (10:05 – 10:25)**

   Mr. Bresler (PJM) discussed the joint filing to change the joint operating agreement to reflect consistent treatment of Quad Cities Jointly Owned Units (JOUs) in the Market Flow calculations and Firm Flow Entitlement calculations; and the associated Market-to-Market (M2M) Settlements Adjustments. Mr. Shah (MISO) reviewed the new resettlements form with participants, and reiterated that this is a living document, and feedback on possible enhancements is welcome. A stakeholder requested a process document for the M2M Settlements Adjustments and make it available on the RTO websites for stakeholders.

   Mr. Bresler also informed the group of an error in PJM file that is being exchanged with OATI for the flowgate allocation calculations. PJM is in process of evaluating the impact of that error and recalculating flowgate allocations and firm flow entitlements for M2M resettlements.

2. **OUTAGE SCHEDULING RULES (10:25 – 11:15)**

   A. Mr. Harmon (MISO) reviewed guiding principles of Interregional M2M Coordination Process and provided an overview of complex seams with heavy transfers. Mr. Harmon also informed the group that an agreement to operate the system at true operating limits is the tipping point for the large volume of M2M flowgates getting created. Mr. Harmon provided an overview of previous MISO efforts to improve its FTR market funding. Mr. Harmon mentioned to the group that additional analysis is required to identify specific drivers of PJM’s underfunding and presented a timeline for the key next steps -a detailed design will be developed by November and implementation is projected for Late Spring/Early Summer of 2014. A stakeholder requested a modification to slide six to overlay the PJM data over the MISO data.

   B. Mr. Bresler (PJM) provided an update on potential changes to Market to Market Process in regards to Outage Submission Timelines. A breakdown of the PJM Revenue Inadequacy was reviewed. PJM presented proposed JOA changes and the benefits of these proposals, in order to better accommodate different outage scheduling timelines of the two RTOs. A stakeholder requested an analysis to evaluate impacts of not using Market-to-Market to manage congestion in RT.
After an extensive question and answer period, participants were asked to submit their questions in writing to both MISO and PJM. This topic will be discussed further in future JCM meetings. Stakeholders suggested allotting additional time or scheduling separate meeting to discuss this topic in broader detail.

3. **FREEZE DATE USED IN FIRM FLOW ENTITLEMENT CALCULATIONS (11:15 – 11:30)**

Mr. Advena (PJM) provided a primer on the freeze date used in the Firm Flow Entitlement (FFE) calculations. A freeze data overview was provided, including background on what the freeze date is and why it is used. An explanation of impacts and scope of the freeze date were reviewed with the group, and inputs used in the flowgate allocation calculation were enumerated. Current issues with the freeze date were also discussed. Mr. Advena informed the group that the next step in the process is to review the guiding principles and then put efforts towards development of potential alternatives for the current freeze date.

4. **INTERFACE PRICING (11:30 – 12:00)**

A. Ms. Caroll (PJM) provided an update on PJM interface pricing calculations. An overview of the External Congestion Analysis and MISO Interface Definition Analysis was provided to the group. Ms. Caroll reviewed PJM’s observations on the MISO Interface Performance Analysis for the congested M2M flowgates.

B. Mr. Chatterjee (MISO) provided an update on MISO’s analysis of interface pricing calculations. Mr. Chatterjee informed the group that this is still work in-progress and no conclusion on the analysis is available at this time. Feedback obtained from today’s discussion will be used in further evaluations. Mr. Chatterjee discussed the current status of the MISO’s evaluations for efficiency and enhancement opportunities of interface definitions, as well as MISO’s current method used, and alternative approaches. Stakeholders requested table cross-referencing clarification on slide eight of the Interface Pricing Analysis presentation. MISO will continue the evaluation and develop recommendations by quarter three of 2013.

The group discussed an issue raised by Dr. Patton on the issue of double counting of congestion values in interface pricing when M2M constraint is binding. The group also discussed whether or not MISO and PJM interface prices should converge as a result of joint re-dispatch during M2M coordination. Stakeholders requested discussion on what exactly interface prices should reflect and how the interface prices should behave during congestion and M2M coordination.

5. **INTERCHANGE OPTIMIZATION (1:00 – 1:25)**

A. Mr. Chatterjee (MISO) gave a verbal update on MISO-PJM efforts for interchange optimization. MISO and PJM are working on this effort and plan to bring back findings in future meetings and discuss next steps with stakeholders. An update will be provided at the next JCM meeting.

B. Mr. Williams (PJM) provided a verbal update on the PJM-NYISO efforts for interchange optimization. Mr. Williams informed the group that PJM presented a proposal on this effort to their
stakeholders yesterday and that some of the concerns in regards to field elimination challenges, FTR underfunding and credit screening were raised by the stakeholders. PJM also provided a cost benefit analysis to its stakeholders, which is available for review on their website. NYISO are working on a proposal for their stakeholders as well. PJM and NYISO plans to schedule a joint stakeholder webinar in the next few weeks to address outstanding stakeholder concerns and move forward with an endorsement.

6. **DAY-AHEAD MARKET SOLUTION ALIGNMENT (1:25 – 1:45)**

Mr. Ward (PJM) and Mr. Casto (MISO) reviewed the current Day-Ahead coordination provisions in the JOA and discussed the challenges to incorporate the provisions as described. Mr. Casto reminded the group about the short term, medium term and long term goals for the enhanced coordination to better align two Day-Ahead markets. Mr. Casto informed the group that both MISO and PJM believe there is a benefit in implementing the FFE (flowgate capacity) exchange provisions as described in the JOA, however, it is challenging to implement the practical solutions because of the different timings of the MISO and PJM markets as well as additional seams agreements.

**PLANNING RELATED ISSUES**

7. **CAPACITY DELIVERABILITY (1:45 – 2:15)**

Mr. Larson (MISO) and Mr. Bresler (PJM) provided a verbal update on progress towards the action items regarding Capacity Deliverability that came out of the July 20th FERC meeting. An integrated work plan is being developed, including milestones and priorities. The commissioners have suggested a multi-step process, beginning with a fact-finding effort through stakeholder process. A work plan is being put together, to ensure issues are fully clarified. Next steps will include fact-finding efforts. A conference call will be scheduled to further discuss the coordinated efforts on these issues.

8. **ORDER 1000 (2:15 – 2:30)**

Mr. Moser (MISO) gave a verbal update on the compliance filing on Order 1000. All regions across country filed their proposals. There are three separate filings, MISO, MISO TOs, PJM and PJM TOs. A few highlights from the orders: MISO and PJM agreed on process and planning coordination steps, however no agreement on cost allocation of interregional projects.

**ADMINISTRATION AND FUTURE ACTIVITIES**

9. **ISSUE STATUS (2:30 – 2:45)**

A. Mr. Arness (MISO) reviewed the Stoplight Report and the draft drill-down report. The status of each issue on the Stop Light Report was reviewed. Mr. Bresler (PJM) added that the drill-down report is a living document and it will be updated as we make progress.

B. Mr. Arness (MISO) reviewed a draft of topics intended to be covered in the September JCM meeting.

A stakeholder requested generation interconnection process document be more visibly posted
online, and a brief update on the status and location of this document, when available. Stakeholders also requested updates on MISO's provisional interconnection agreements and how the current wind interconnection projects in MISO queue are being coordinated with PJM.

10. **NEXT STEPS & OPEN DISCUSSION (2:45 – 3:00)**
   The action items were reviewed and participants were provided the opportunity for open discussion regarding Joint and Common Market topics.