PJM Position on Overcharging of Congestion in Interface Prices

PJM/MISO JCM
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• PJM and MISO’s current interface definitions may be too far into the other neighboring RTO
  – Provides correct incentive for transactions but overvalues the effect of the interchange on the coordinated congestion relief
• PJM believes a single common Interface definition will resolve overcharging of congestion for PJM/MISO transactions
  – Interface defined at the boarder
  – Both RTOs Interface definition will consist of the same generator pnodes and weightings
• MISO’s PJMC interface definition and PJM’s MISO interface definition will share the same generator pnodes and weightings
  – Generator pnodes will be selected based on a representative set of tie lines
    • Identify the tie lines with the greatest flow impact from transactions
    • For each tie line, the Monitoring (MRTO) and Non-Monitoring (NMRT0) RTO will be identified
    • The generator pnode will be selected on the NMRT0 side of the tie line
      – ensures that the MRTO is accurately capturing the congestion for the facilities that they monitor
      – ensures that the congestion gets captured for both the M2M facilities as well as internal constraints
A and C – PJM is the MRTO; generator pnode included in the common Interface definition is in MISO

B and D – MISO is the MRTO; generator pnode included in the common interface definition is in PJM
What about Wheel Thru Transactions?

- **Transactions sourcing from IMO**
  - PJM does not have any direct ties with IMO
    - **Option 1**: Replace the IMO price with either MISO or NYISO price depending on how transaction is scheduled
    - **Option 2**: Replace the IMO price with a hybrid of the MISO and NYISO prices depending on performance of the PARs

- **Transactions sourcing from TVA**
  - Any transaction coming in from the South wheeling through MISO will receive the MISO price