II. MODELING OF ONT-MI PARS IN MARKET FLOW CALCULATIONS AND ENTITLEMENT CALCULATIONS
Background

• ONT-MI PARs (full set of 4 PARs) began regulating ONT-MI interface flow in July 2012
  ➢ Since July 2012, ONT-MI PARs have been modeled using the “Regulated” and “Unregulated” status in the Interchange Distribution Calculator (IDC)

• MISO, PJM and IESO have completed an analysis of the operation of the ONT-MI PARs through the first year of operation (Aug 2012 – Aug 2013)

• At Mar 21, 2014 JCM meeting, MISO and PJM agreed to perform analysis for modeling of PARs in Market Flow and Firm Flow Entitlement (FFE) calculations; and report findings in May 28 JCM meeting
Objective

• MISO and PJM collaborated to perform an analysis to evaluate impact of ONT-MI PARs on Market Flows and FFEs
  ➢ MISO and PJM used different methodologies to evaluate impact of ONT-MI PARs

• This presentation will provide status update on the RTO discussions related to modeling of the ONT-MI PARs in the Market Flow and FFE calculations
Key Takeaways

• MISO and PJM have proposed different approaches to model ONT-MI PARs in the Market Flow calculations
  ➢ The two approaches lead to similar results

• RTOs still need to discuss implementation details for changes to the Market Flow calculations
  ➢ RTOs need to discuss application of LEC impacts in the Market Flow calculations

• RTOs agree on the approach to model ONT-MI PARs in the FFE calculations
Proposals for Market Flow calculations

• MISO Approach: Use “Regulated” (Actual flow = Scheduled flow or Fixed Flow) or “Unregulated” (Free flowing or Fixed Tap) status (same as that in IDC)

• PJM Approach: Market Flows on pre-identified M2M flowgates, which are impacted by LEC, to be adjusted with the LEC impacted value
Proposal for FFE calculations

- Both RTOs recommend using “Regulated” (Actual flow = Scheduled flow or Fixed Flow) or “Unregulated” (Free flowing or Fixed Tap) status (same as that in IDC) to calculate FFEs
Comparison of the Two Approaches*

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Description</th>
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<tr>
<td>Market Flows</td>
<td>• In regulating status, calculate Market Flows by assuming ONT-MI Interface as Fixed Flow interface. PJM would like to apply adjustments for LEC impacts to pre-identified M2M flowgates (only those with &gt;5% impacts from PARs) similar to market flow adjustments in PJM-NYISO M2M process.</td>
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<td>• In unregulated status, calculate Market Flows by assuming ONT-MI Interface as Free Flowing interface.</td>
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<tr>
<td>Firm Flow Entitlements</td>
<td>• In regulating status, calculate FFEs by assuming ONT-MI Interface as Fixed Flow interface.</td>
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<tr>
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<td>• In unregulated status, calculate FFEs by assuming ONT-MI Interface as Free Flowing interface.</td>
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*Note:  
Agreement on the text in black  
Ongoing discussions on the text in blue
Next Steps

- MISO and PJM to discuss implementation details for modeling of ONT-MI PARs in the Market Flow and FFE calculations
  - Discuss and agree on Market Flow adjustment for LEC impacts

- Inform stakeholders about the implementation plan
  - Potential changes to the MISO-PJM JOA
  - Software changes
  - Implementation date