III. FREEZE DATE ALTERNATIVES

Joint and Common Market
Overview

• Purpose
  ➢ Inform stakeholders about the CMPWG discussions on Freeze Date Alternatives

• Key Takeaways
  ➢ CMPWG formed a Task Force to work on Freeze Date Alternatives
  ➢ Task Force was not able to reach consensus on the guiding principles
  ➢ Task Force started working on Issues related to the current Freeze Date and will continue to work on the guiding principles in parallel
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 (9 years), issues with the current freeze date become prominent:
- Generation Retirement causing insufficient DNRs to serve load in historic control area
- No specific criteria to add post freeze date (new) DNRs to the freeze date DNR list

RTOs and their stakeholders agreed that there is a need to work on Freeze date alternatives.
Progress to date

• In Aug 2013, CMP Council directed CMPWG to work on Freeze Date alternatives

• RTO Staff presented guiding principles at the Sep 2013 JCM meeting

• CMPWG formed a task force to work on Freeze Date alternatives in Jan 2014. Held 5 conference calls till date:
  - Feb 28, 2014
  - Mar 24, 2014
  - April 9, 2014
  - April 22, 2014
  - May 19, 2014
Freeze Date Task Force Update

• Task Force was not able to reach consensus on the guiding principles and agreed to start working on issues with the current Freeze Date in parallel with the guiding principles

• Discussed following Issues related to the current Freeze Date:
  ➢ Stale Freeze Date
    ❖ Does not align with today's system operations
    ❖ Process of updates lack sustainability
  ➢ Generation Priorities (Retirements and Physical Location of New Resource)
    ❖ Current Logic is to use Internal Historic Control Area Generation (LBA) to serve load within the same Historic Control Area (LBA)
    ❖ Post freeze date Generators are used to meet load growth that has occurred since 2004
    ❖ Network/Capacity Resources located physically outside of LBA/RTO are not recognized
Issues with the current Freeze Date (contd.)

- Accuracy of TSR List

- Limiting Sale of Transmission Services
  - No linkage between AFC (Available Flowgate Capability) and Flowgate Allocations or ASTFC (Available Share of Total Flowgate Capability)

- Lack of correlation with Long Term Planning Process
  - Builder does not always get full credit for the transmission upgrades

- Complex Process and Lack of Auditability/Transparency
Next Steps

• Each CMPWG participant will review the Freeze Date Issues List and provide feedback on:
  ➢ Any additional issues
  ➢ Potential solutions for the issues identified by the Task Force

• Task Force will continue to work on guiding principles to reach consensus

• RTOs will provide update to stakeholders at the respective stakeholder meetings and at the future JCM meetings