Joint and Common Market

II. FREEZE DATE ALTERNATIVES
Overview

• Purpose
   Provide status update and solicit feedback on Freeze Date Alternatives discussion

• Key Takeaways
   CMPWG Task Force targeting to report recommendations to CMP Council in Oct 2014

   Potential use of Capacity Resources to address primary concern related to Freeze Date Generators – Generation Retirements and physical location of Firm (Network/Capacity) Generators
Background

• 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 (10 years), issues with the current freeze date become prominent
  ➢ Generation Retirements 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
• 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 7 conference calls since Jan 2014
  ➢ At the last meeting, MISO, PJM and SPP presented processes used by the respective RTO to identify Network/Capacity Resources to meet Firm Capacity requirements

• Task Force is targeting to finalize set of potential solutions by the end of Sep 2014 and report recommendations to CMP council in Oct 2014
RTO’s Primary Concern

• Generation 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 and to account for Retirements that has occurred since 2004
  
  - Network/Capacity Resources located physically outside of LBA/RTO are not recognized
Potential Solution

• Use Capacity Resources - results of PJM and MISO’s Capacity Designation Process

  ➢ Need to develop criteria to use Capacity Resources as post freeze date Firm Resources

  ➢ Need to develop criteria for Capacity Resources located physically outside of LBA/RTO to allocate Entitlements
Next Steps

• Continue discussions with CMPWG Task Force members to understand each other’s processes to identify Network/Capacity Resources needed to meet Firm Capacity requirements
  ➢ Identify similarities and differences in each other’s processes

• Develop set of potential solutions and recommendations for CMP Council

• Provide update to stakeholders and solicit feedback at the future meetings (respective stakeholder meetings and/or JCM meetings)