

# Interregional Coordination Update

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Market Implementation Committee

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*Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.*

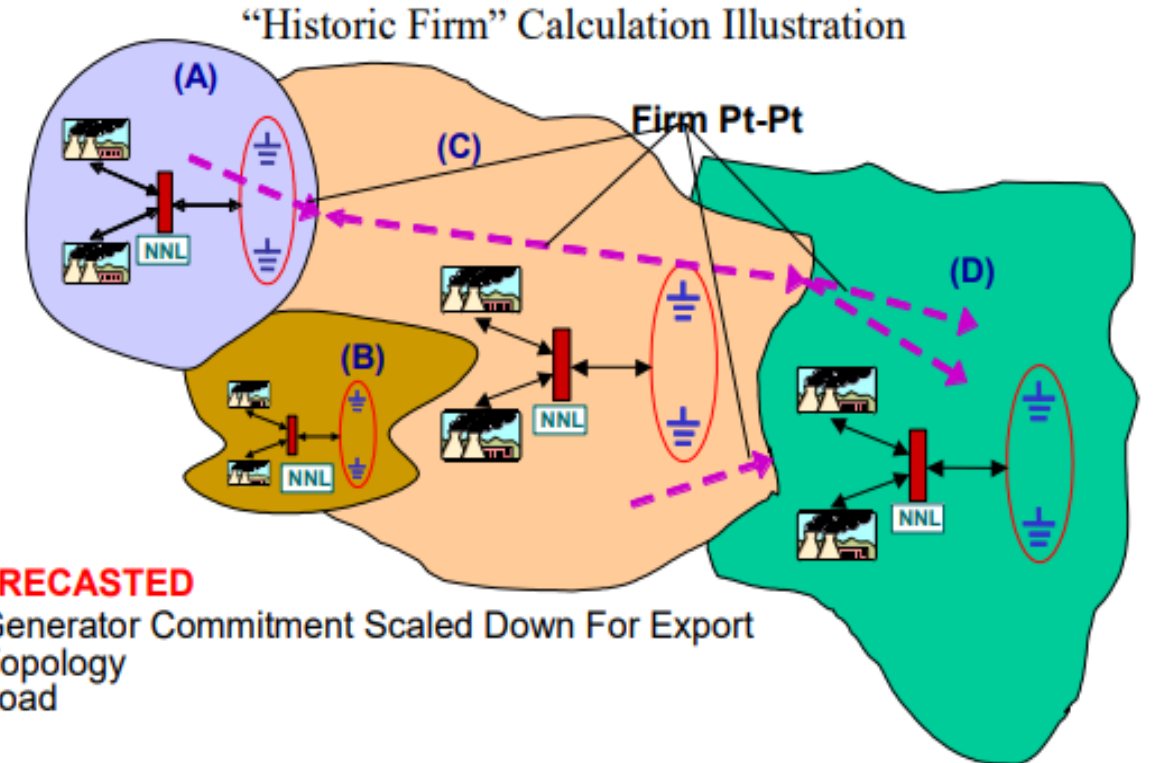
CMP members continue to meet on a regular basis working through Freeze Date data analysis.

**Sep 24, 2026**  
Last CMPWG  
meeting

**Oct 14, 2026**  
Next CMP  
Council meeting

**Oct 29, 2026**  
Next CMPWG  
\*FD only

September CMPWG meeting focused on guardrail approach for entitlements. Conversations are centered around mechanics. CMPWG meeting biweekly to review data.



## FORECASTED

- ✓ Generator Commitment Scaled Down For Export
- ✓ Topology
- ✓ Load

**GtL** = Designated Network Resources to Network Customers Delivery

**Historic CA Firm Flows for (A)(B)(C)(D)**

Control Area Existing GtL  
+ Existing Firm Pt -Pt Reservations  
= Historic CA's Firm Flow

## Freeze Date (April 1, 2004):

Restored firm vs.  
non-firm granularity  
as it existed in 2004

### **Market Growth:** IDC flows consolidated into a single Market Flow

- 30+ Control Areas became one market footprint
- Individual transaction visibility reduced

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### **Historic Firm Flow Calculation:**

- Retains Historical BA Areas (HBAAAs)
- Historic Resources and Transmission Service Reservations given a higher priority
- Historic Firm Flows used to derive **Firm Flow Entitlements (FFE)**

## Efficient Cross-Border Congestion Management:

- Leverages the lowest-cost generation adjustments across both RTOs
- Minimizes seams congestion and promotes market price convergence

## Market-to-Market Settlement Framework:

- Compensates congestion relief provided by the neighboring market
  - Results in congestion charges when market flow exceeds FFE without sufficient relief provided by the neighboring market
- *Settlement Basis*: (Market Flow – **FFE**) \* Shadow Price

## **Historical Flow Enhancements** (*Previous proposed solution*):

Capture evolving system usage beyond the Freeze Date baseline by leveraging an updated transmission system model

## **PFV-Based Flow Attribution** (*Previous proposed solution*):

Leverage WEQ-008 standards for flow classification

## **Guardrail Approach (Current proposed solution):**

Uses fixed neighbor flow entitlements for after-the-fact settlements

**SOL**

(System Operating Limit  
Reference Point)



**Owner's  
Firm Rights**



**Non-Owner Pays  
the Owner**



**Permissible Band**



**Owner Pays  
the Non-Owner**

**Guardrail**

(Entitlement Threshold)

**Floor**

Guardrail establishes limit for other party's flows.

- **Fixed values of 10–35%** have been discussed.
- Non-owner pays owner: ***(Flow – Limit) \* Shadow Price.***

Non-owner **does not** pay for **flows below guardrail.**

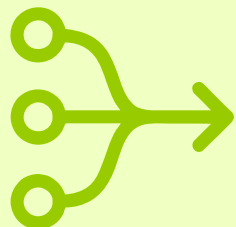
Owner pays non-owner if below the entitlement floor.

- **Floor of zero** is latest idea: non-owner paid for counterflow.
- Settlement would ***be (Limit – Flow) \* Shadow Price.***

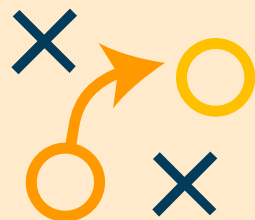


## Illustrative Example

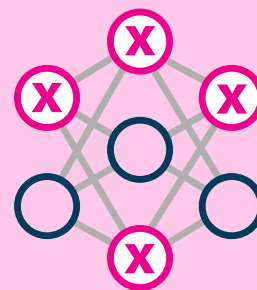
SOL = 1,000 MW | Guardrail = 25% | Threshold = 250 MW



**Aligns**  
entitlement  
calculations with  
today's planning  
and operational  
practices

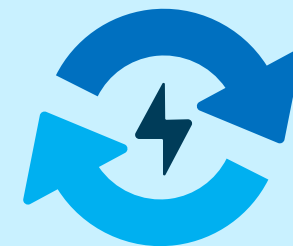


**Simplifies**  
the entitlement  
methodology



**Eliminates**  
complex and  
burdensome Freeze  
Date processes

(IDC inputs, NNL modeling  
and TUS processes)



**Sustains**  
a streamlined and  
efficient entitlement  
framework

## Periodic Floor & Guardrail Updates

Reflect new investments and evolving system conditions.

## Guardrail Threshold Methodology

Establish appropriate thresholds by flowgate type.

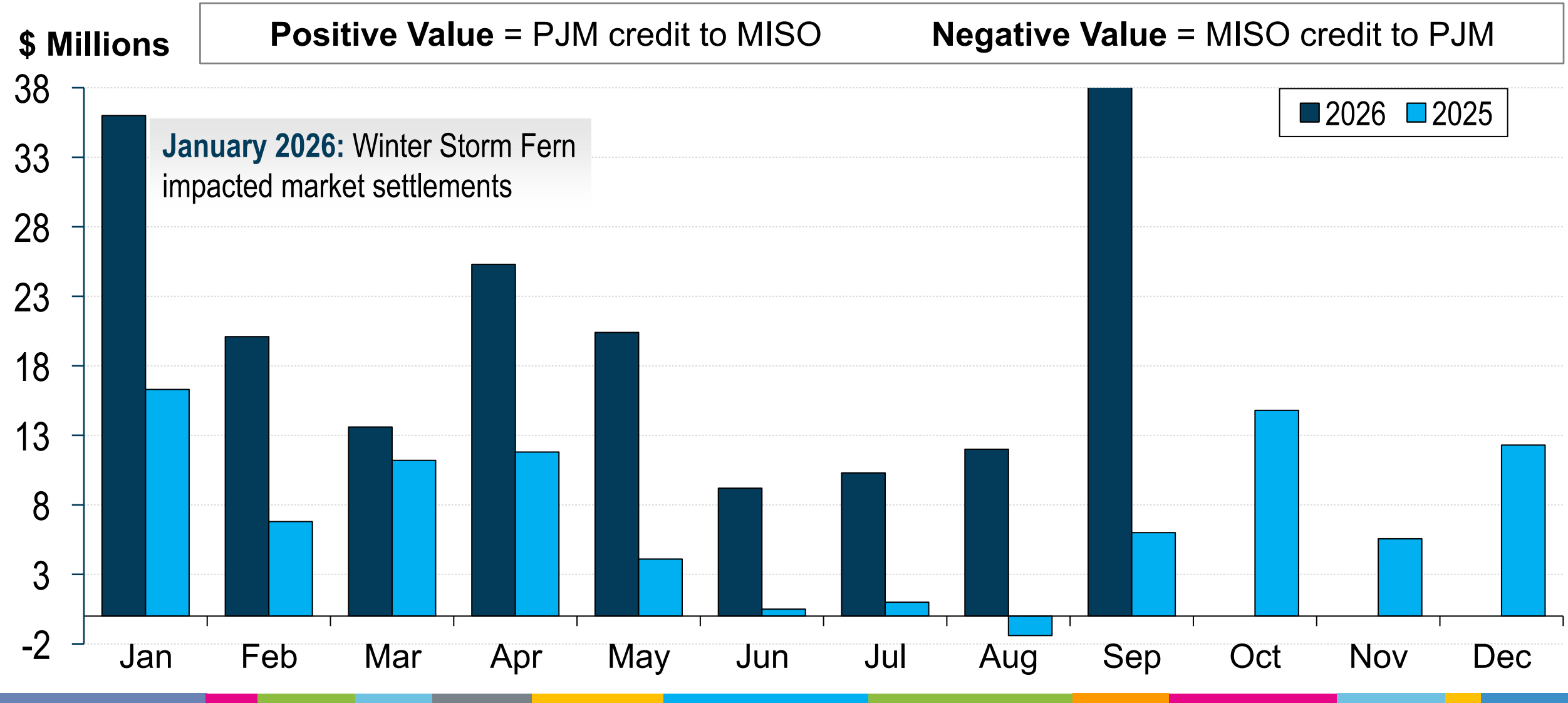
## Tie line Flowgate Ownership

Global vs. actual ownership share determination.

## Market-to-Market Metrics based on Joint Operating Agreements

### M2M Coordination with MISO:

- **PJM-MISO JOA Attachment 2 –**  
Congestion Management Process
- **PJM-MISO JOA Attachment 3 –**  
M2M Coordination
- **PJM-NYISO JOA Schedule D –**  
M2M Coordination & PAR Coordination

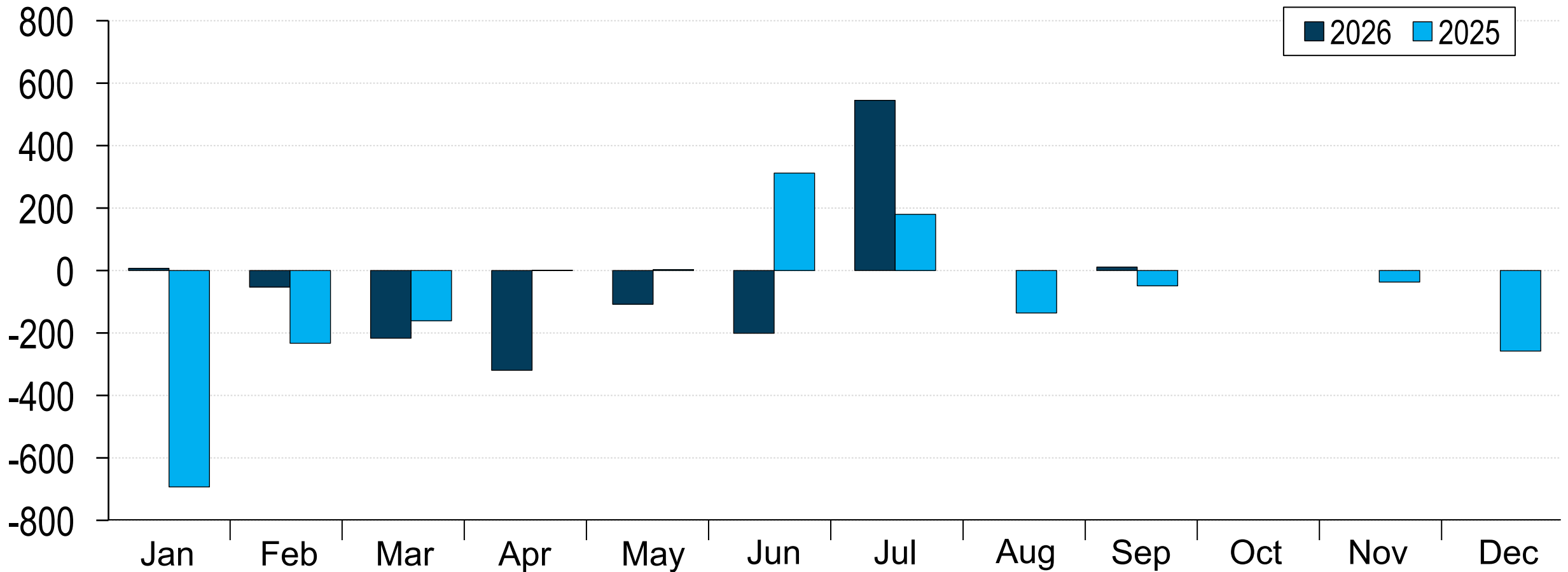


# YTD NYISO PAR Coordination Credit

**Positive Value** = PJM credit to NYISO

**Negative Value** = NYISO credit to PJM

**\$ Thousands**





**June 23, 2026** – Most recent Joint and Common Market meeting was held.



**TBD** – Next joint stakeholder meeting host will be PJM, date to be determined.



Meeting materials are posted approximately one week in advance on the **PJM Meeting Center:** [PJM – PJM/MISO Joint & Common Market Initiative](#).

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**Interregional Coordination Update**



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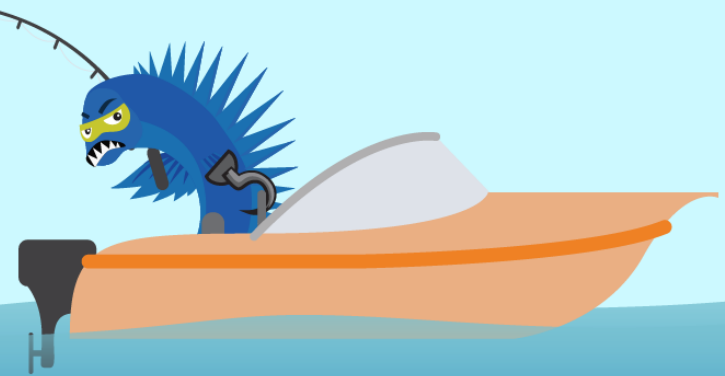
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