



Expanded Interregional Planning & Seams Optimization for PJM and MISO

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On behalf of 13 signatories¹

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¹ Advanced Energy United, Americans for a Clean Energy Grid, Clean Grid Alliance, Clean Wisconsin, Earthjustice, Environmental Law & Policy Center, Fresh Energy, MAREC Action, Natural Resources Defense Council, RMI, Sierra Club, Southern Environmental Law Center, Southern Renewable Energy Association, Sustainable FERC Project, Union of Concerned Scientists



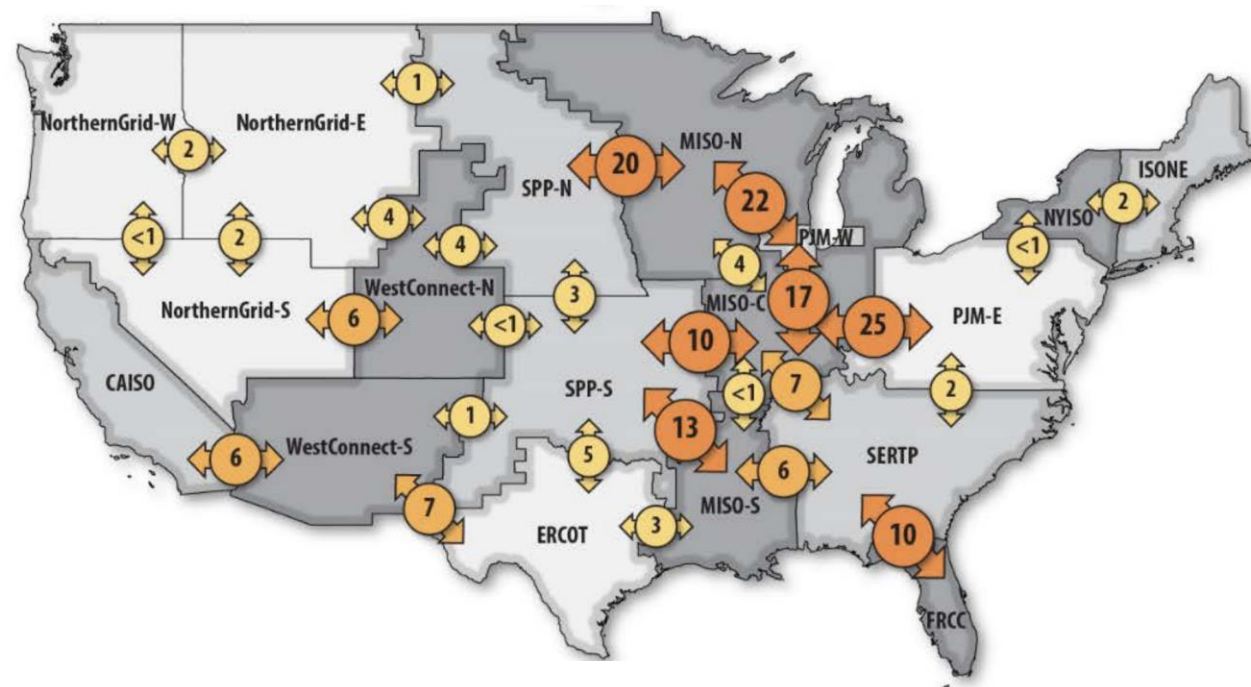
Agenda

1. Summary of the need for enhanced interregional transmission planning & utilization between PJM and MISO
2. Recommendations for PJM & MISO
 1. Make the **ITCS** actionable
 2. Launch a **longer-term interregional planning** effort
 3. Enhance **utilization of existing** interregional transmission

The need for interregional transmission between PJM and MISO has never been more urgent

In the past year...

- The US Department of Energy released the *National Transmission Planning Study*, which identified up to 64 GW of High Opportunity Transmission additions along the PJM-MISO seam

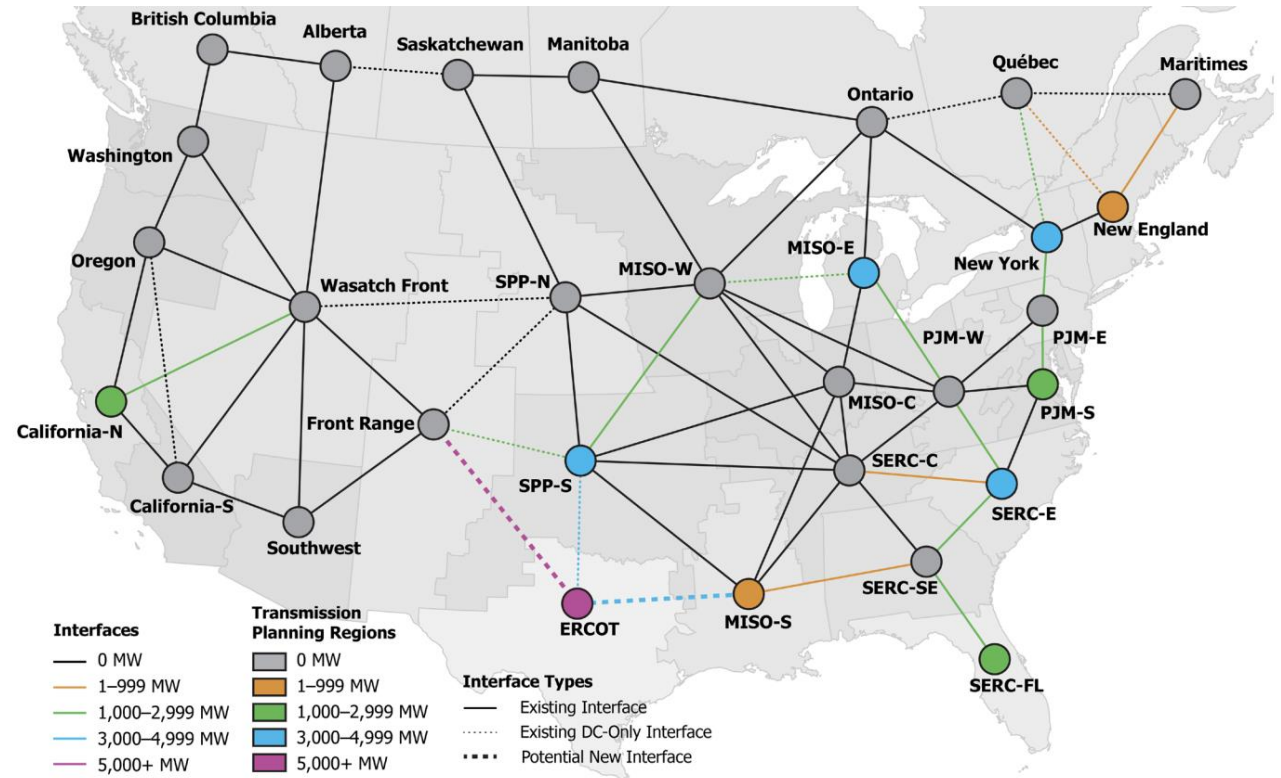


The above map comes from the Multiterminal scenario in the *NTPS*, which identified up to 3.9 times the 2020 interregional transmission capacity in 2050.

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In the past year...

- NERC issued its final Interregional Transfer Capability Study, which recommended 1 GW of transfer capability between MISO-East and PJM-West to enhance resilience

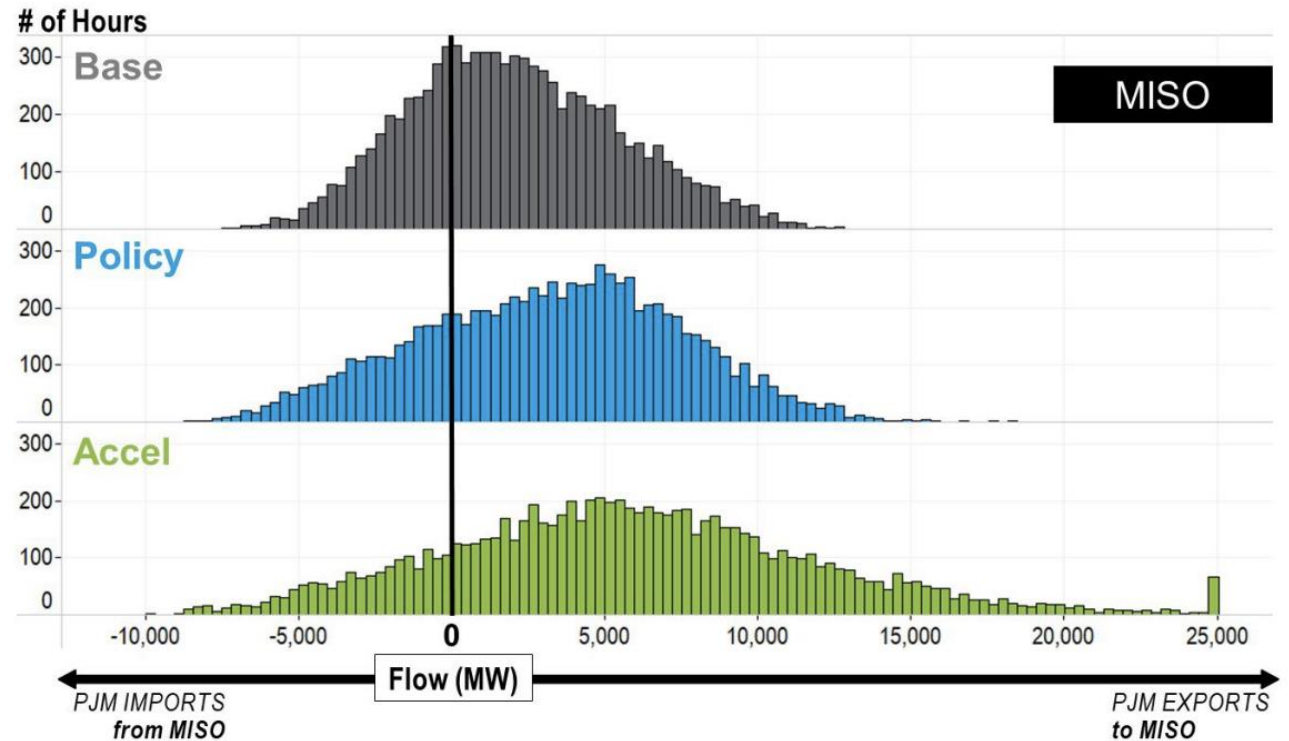


The above map illustrates prudent additions to transfer capability as identified by NERC in its final ITCS.

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In the past year...

- PJM's latest report on the energy transition, *Energy Transition in PJM: Flexibility for the Future*, concluded that “interregional transfer capability is increasingly important” and identified three recommendations to enhance transfer capability



In their report, PJM analysis identified that under future scenarios with state policies, PJM sees a greater spread of hours with more imports from MISO and exports to MISO at increasingly higher levels.

PJM/MISO ITCS is an important first step, but more work remains

- The ITCS is an important first step to align models and identify near-term upgrades
- **Sustained long-term interregional planning is necessary** to address the regions' pressing needs
- *Example:* The ITCS's capping of resource imports across regions to those with signed contracts precludes the ability for enhanced economic power transfers across seams
 - Future studies should **expand import capabilities across the seam**

First, ensure the ITCs results in actionable infrastructure recommendations

- Calculate and communicate costs *and* benefits
- Update cost allocation methodologies as needed *in parallel* with study results
- Make state participation roles and process clear and timely

Second, commit to a longer-term interregional study following the ITCS

- Initiate a longer-term study that has an expanded scope
- Allow for **expansion of imports/exports** along the seam, in consultation with states on policy & resource adequacy requirements
- Align study inputs and assumptions with Order 1920-A
 - Full consideration of all seven factors under 1920-A (e.g., state policies)
 - Quantification of all seven benefits

Third, consider improvements to utilization of existing interregional transmission

- Assess how the PJM-MISO Coordinated Transaction Schedule (CTS) agreement can be refined to enhance cost savings
 - In a report last year, NREL identified that in 2022, PJM and MISO experienced **uneconomic seams flows in 48% of hours** due to inaccurate price forecasting and high transaction fees
- Assess the potential for intertie optimization in place of CTS
 - SPP is doing this currently
- Publish hourly real-time curtailment data across the PJM & MISO seam on a zonal level
 - SPP, CAISO do this

Third, consider improvements to utilization of existing interregional transmission

- Update PJM and MISO Firm Flow Entitlements (FFEs) and interface pricing schemes to reflect latest conditions
- Consider improvements to resource adequacy structures to reduce market barriers for capacity transfers between regions (e.g., current pseudo-tie requirements)



Thank you!

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