FREEZE DATE PROJECT UPDATE

Joint and Common Market

Chris Moran - PJM Interregional Market Operations

Sarah Fisher - MISO Seams Administration

November 17, 2026

Introduction

Purpose:

Provide a brief update on the Freeze Date project

Key Takeaways:

- Update stakeholders on the effort to modernize Firm Flow Entitlements (FFE) by replacing 2004 Freeze Date construct with a clearer, simpler approach more representative of a changing dynamic system.
- Overview of Guardrail approach to potentially replace Freeze Date FFE methodology.

Freeze Date: A Historical Framework That No Longer Reflects Today's System

Freeze Date (April 1, 2004) established the historical baseline for firm flow rights on jointly monitored flowgates. Needed at the time due to lack of standardized coordination.

FD Allocations retains Historic BA areas and prioritize Pre-FD DNRs & Reservations: limited accounting for Post-FD firm resource investments.

FFE & FFL: These allocations establish each party's firm flow rights: Firm Flow Entitlement (FFE) used in M2M settlements and Firm Flow Limits used in Transmission Loading Relief (TLR).

10+ years of Joint Party evaluation have explored alternatives to modernize the framework (with multiple solutions unable to attain unanimous support).

FD – Freeze Date | FFE- Firm Flow Entitlements | FFL – Firm Flow Limit | DNR – Designated Network Resource | TLR – Transmission Loading Relief

M2M: Current Framework vs. Proposed Guardrail Approach

M2M – Current Framework

1 M2M – Shared Market-Based Congestion Management

M2M remains the coordinated, market-based approach to manage congestion on jointly monitored Flowgates.

2 Freeze Date FFE

Historical Freeze Date inputs establish the firm portion of Market Flow.

3 M2M Settlements

FD FFE determines the portion of MF that is considered firm. The remaining non-firm MF is used for settlement.

M2M – Proposed Guardrail Approach

1 M2M – Shared Market-Based Congestion Management

M2M remains the coordinated, market-based approach to manage congestion on jointly monitored Flowgates.

2 Guardrail FFE

A fixed percentage of the SOL establishes the firm entitlement threshold, providing a predictable way to account for reasonable parallel flow from neighboring systems.

3 M2M Settlements

Guardrail FFE determines the portion of MF that is considered firm. The remaining non-firm MF is used for settlement.

M2M congestion management remains unchanged.

The proposed change is to the settlement entitlement logic — how the firm portion of Market Flow is established.

FD – Freeze Date | FFE – Firm Flow Entitlements | MF – Market Flow | M2M – Market –to- Market Settlement | SOL – System Operating Limit

Markets FFE Solution Evolution

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

Emerging Markets Solution

SOL
(System Operating Limit Reference Point)

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.***

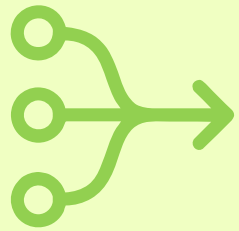
Non-owner **does not** pay for **flows below guardrail.**

Owner pays non-owner if below the entitlement floor.

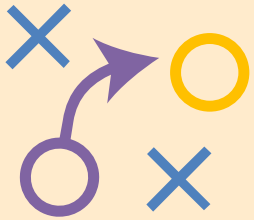
- **Floor of zero** is latest idea: non-owner paid for counterflow.
- Settlement would ***be (Limit – Flow) * Shadow Price.***

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

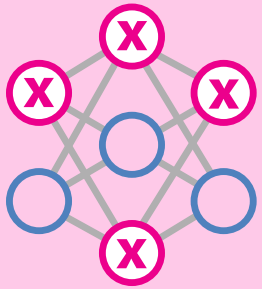
Benefits of Guardrail Approach



Aligns
entitlement calculations with today's planning and operational practices

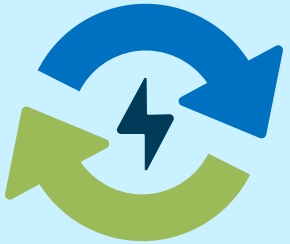


Simplifies
the entitlement methodology



Eliminates
complex and burdensome Freeze Date processes

(IDC inputs, NNL modeling and TUS processes)



Sustains
a streamlined and efficient entitlement framework

Items Still Being Discussed

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.

Contacts

Comments and questions can be sent to:

- Sarah Fisher SFisher@misoenergy.org
- Jason Brown JBrown@misoenergy.org
- Chris Moran Christopher.Moran@pjm.com
- Aaron Scott Aaron.Scott@pjm.com