



Interregional Coordination Update

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MC Webinar

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The most recent Joint and Common Market meeting was held on November 19, 2019



The next joint stakeholder meeting will be hosted by MISO on February 25, 2020 via WebEx and Conference Call



Meeting materials are posted approximately one week in advance at the [PJM/MISO Joint and Common Market Initiative](#) as well as the [Joint and Common Market](#) websites

Planning Issues

- Interregional Planning

Market Issues

- Freeze Date
- M2M Enhancements

Administrative

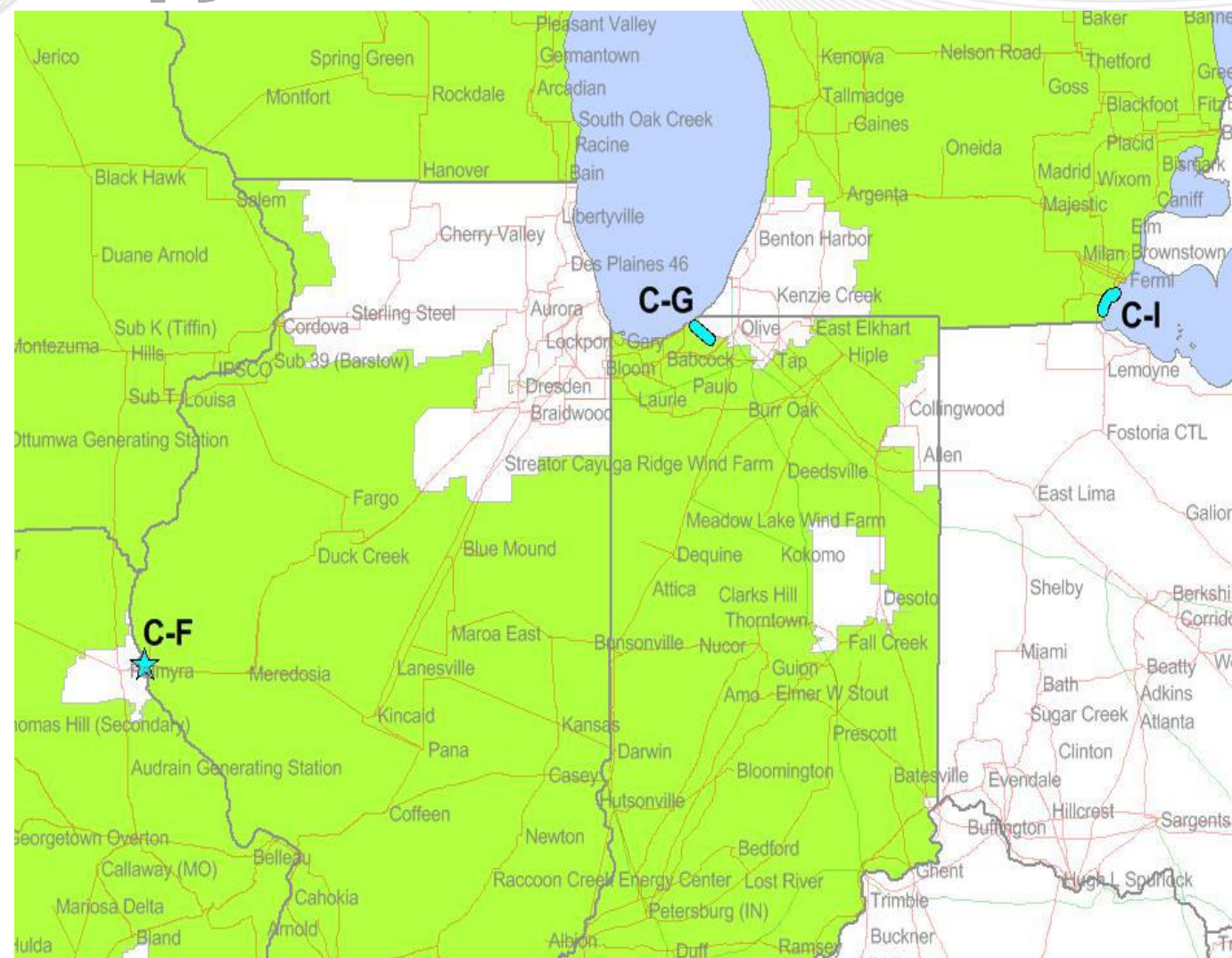
- M2M Settlement Adjustments
- Issue Status
- Biennial Review

Looking for additional
Stakeholder topics

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- Issue status and drill down reports available at below websites:
 - [PJM/MISO Joint and Common Market Initiative](#)
 - [Joint and Common Market](#)
- Biennial Review of MISO-PJM Joint Operating Agreement:
 - <https://pjm.com/markets-and-operations/energy/market-to-market.aspx>
- No pending market-to-market settlement adjustments
 - Pseudo-Tie Overlapping Congestion (PTOC) Settlement Hearings were initiated per FERC's order in June 2019





- Provisionally approved by PJM Board
- Waiting for MISO Board approval
- Flowgate C-G: Bosserman to Trail Creek 138kV
 - Historically binding M2M constraint. Congestion driven by nearby retirements, which increase east to west flows in northern Indiana.

- PJM and NYISO discussed changes to the current Firm Flow Entitlement (FFE) calculation:
 - FERC approved the PJM/NYISO filing on August 28, 2019
 - PJM and NYISO are coordinating implementation plan Q 1-2, 2020
 - Requires an implementation filing with FERC

- PJM and TVA continue to review the Joint Reliability Coordination Agreement (JRCA)
 - General review of JRCA
 - Updating Article IX – Planning section
 - Adding LGE-KU to the JRCA
 - Final language is being moved through the TOAC and PC for planning changes
 - FERC filing for changes (as it applies to PJM and LGE-KU) expected in Q 1-2, 2020
 - Updates will be reviewed with PJM Stakeholders prior to FERC filing
 - OC, MC Webinar

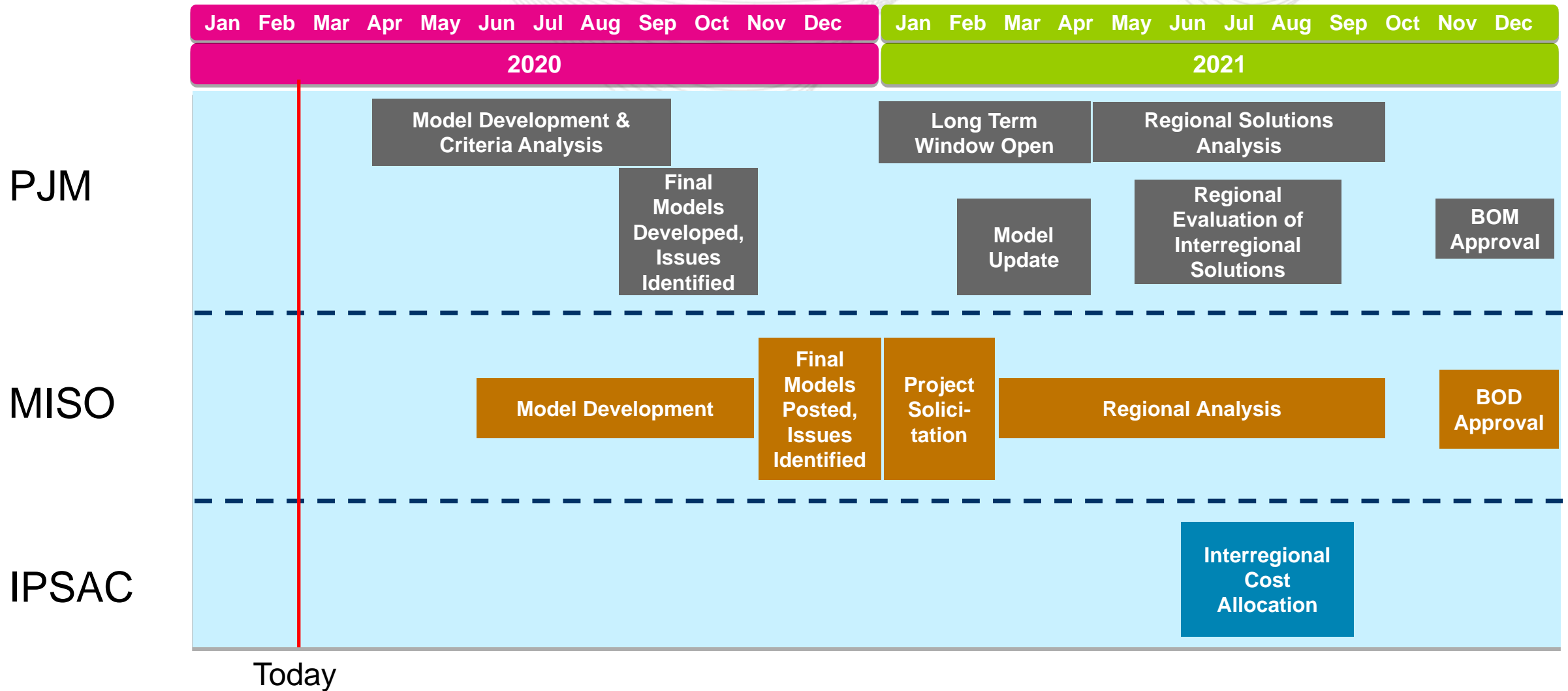
- **Status**
 - JOA changes were filed with FERC on December 19, 2019
 - Waiting for FERC response
 - Target for deactivating Constraint Relaxation on MISO/PJM M2M flowgates : Q1, 2020

- Reference date of April 1, 2004, known as “Freeze date”, is used as a mechanism to determine firm rights on flowgates based on pre-market firm flows.
 - CMP Members (PJM, MISO, SPP, TVA, Manitoba Hydro, and LGE/KU) have been developing a collaborative solution to update these firm rights
- CMP Members are working on the final items for the Phase 2 solution:
 - Phase 2 implementation date will be determined when individual Planning discussions are completed by each entity
 - CMP members have developed design components for the Phase 2 solution
 - Firm Flow Entitlement (FFE) solution is almost finalized; Firm Flow Limit (FFL) remains an open item
 - Discussions will continue to finalize design components and whitepaper
 - Stakeholder education will occur during future MIC and JCM meetings
 - Stakeholders will be updated prior to FERC filing



- PJM and MISO are conducting a two-year Interregional Market Efficiency Project (IMEP) study in 2020/2021
- Issues identification and benefit determination conducted in each regional process consistent with current effective JOA
- Interregional proposals must:
 - Address at least one identified issue in each region
(could be same issue if identified by both RTOs)
 - Be submitted to both regional processes

- Benefits to each RTO are determined by that RTO using their respective regional process and metrics (Tariff)
 - Note inconsistent study years and discount rates
- Costs are allocated inter-regionally based on pro rata share of benefits, as determined above
- Interregional projects must meet the B/C criteria in each RTO (based on allocated costs), qualify as an MEP under both the MISO and PJM process, and be approved by each RTO's board
- Final recommendations will be presented to the PJM Board of Managers for consideration in the November-December (2021) time frame



- **Key Takeaways**

- MISO/PJM pursuing turning off Constraint Relaxation on M2M flowgates
- Constraint Relaxation was deactivated:
 - MISO for internal constraints on Feb 1, 2012
 - PJM for internal constraints on Feb 1, 2019
- Removal of Constraint Relaxation allows constraints that would otherwise unbind to bind at the penalty factor
- More consistent dispatch and market signals