

PJM OA & OATT Updates

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Interregional Market Operations

- Pseudo-Tie Market-to-Market congestion overlap between two RTOs is a complex issue and has led to FERC Complaints
- RTO Joint Operating Agreements (JOAs) and included Market-to-Market coordination and settlement rules may not appropriately accommodate the unique modeling, implementation and settlement circumstances associated with Pseudo-Tie Assets (Load or Generation)
- MISO and PJM are working to better administer Pseudo-Ties as well as mitigate modeling and market impacts that have been identified

Phase 1 JOA language filed in December 2017 and tentative effective date is on March 1, 2018

- The RTOs will coordinate and model firm flows impacts before the Day-ahead run so that the congestion and the Day-ahead LMPs for the Pseudo-Tie Resources will better reflect expected Real-Time congestion. This removes the majority of overlapping congestion.
- In RT, Market-to-Market settlements will be adjusted to account for Pseudo-tie impacts. This will ensure the Attaining BA receives credit for Pseudo-tie resource flow from the unit to the interface.

Phase 2: June 1, 2018 [Tariff language]

- Future systems, Tariff and JOA enhancements will allow for optional scheduling and settlement of pseudo-tie transactions in the Native BA's Day-Ahead Market, in order to more effectively coordinate, administer markets, and align congestion charges with available hedges.
- Pseudo-Tie node will be available in ARR/FTR markets for hedging purposes.
- Pseudo-Tie owner will be refunded/charged for deviations between Day-ahead and Real-time in the Attaining BA.

Definitions

– Article II of OA

- “Day-ahead Transaction for Pseudo-Ties” shall mean a transaction scheduled in the Day-ahead Energy Market to the PJM-MISO interface from a generation resource within the PJM balancing authority area that Pseudo-Ties into the MISO balancing authority area
- “M2M Flowgate” shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C

– Section 1 of OATT

- “Day-ahead Transaction for Pseudo-Ties” shall have the meaning provided in the Operating Agreement.
- “M2M Flowgate” shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.

Hedging Mechanism

- Schedule 1 Section 1.10.1A of OA & Attachment K in OATT
 - Rules surrounding how a market participant can submit a day-ahead transaction to hedge Real-Time congestion

Mechanism to charge or credit

- Schedule 1 Section 3.8 & Attachment K in OATT
 - Real-Time Market credits/charges will be issued to Pseudo-Tie Transactions based on deviations from Day-ahead schedule transactions.

- First read:
 - MIC: January 10, 2018
 - MRC: January 25, 2018

- Second read:
 - MIC: February 7 2018 (endorsement)
 - MRC Endorsement Date: February 22, 2018