PJM – MISO Joint Operating Agreement
Article 9 Revisions

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Transmission Planning

Planning Committee
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PJM-MISO JOA Revisions

Action Required	Effective Date	Who May Be Affected
Awareness Only	**N/A**	All parties interested in interregional planning

Background

- Predominantly clean-up items following FERC ruling in EL13-88
- Developed in consultation with PJM-MISO Interregional Planning Stakeholder Advisory Committee (IPSAC) throughout 2018

- Filing version redlines agreed to by PJM and MISO legal teams
  - Posted with meeting materials
  - Significant changes summarized below

(ii) The JRPC's annual review of transmission issues shall include the following steps:

a. Exchange of the following information during the fourth quarter of each calendar year or as specified below:

i. Regional issues and newly approved regional projects located near the interface or expected to impact the adjacent region;

ii. Newly identified regional transmission issues for which there is no proposed solution;

iii. Interconnection and long-term firm transmission service requests under coordination by the Parties located near the interface or expected to impact the adjacent region will be exchanged pursuant to sections 9.3.3 and 9.3.4, respectively;

Interconnection and LTF requests are coordinated on a rolling basis

Remove requirement to exchange again in the fourth quarter

9.3.7.2(a)

(vii) A Coordinated System Plan study may include more complex, longer duration studies ~~involving joint model~~ that may involve development ~~that~~ of a joint model, as appropriate, to addresses~~es~~ reliability, market efficiency or public policy needs. Such studies will be conducted on a two-year cycle commencing in the third quarter of the first year of the two-year cycle, if the need is determined by the JRPC. A Coordinated System Plan study scheduled on a two-year cycle will conclude no later than the end of the second year of the two-year cycle.

The IMEP study no longer requires a joint economic model following FERC's EL13-88 ruling.

Removes requirement for, but allows for option of, joint model development as agreed by the JRPC

9.4.4.1 Criteria for Project Designation as an Interregional Project:

Interregional Projects must be: (1) physically located in both the MISO region and the PJM region or (2) physically located wholly in one transmission planning region but jointly determined and agreed upon to provide benefits to the other transmission planning region or both transmission planning regions. A project located solely in one region and paid for and benefiting only the adjacent region must meet the individual OATT requirements of the transmission planning region in which the project will be located to be eligible for inclusion in the local RTO's transmission plan in addition to the project criteria included in section 9.4.4.1.1, 9.4.4.1.2 or 9.4.4.1.3. In addition, an Interregional Project approved by each RTO for inclusion in its regional plan is subject to the construction obligation under each RTO's OATT. For purpose of interregional planning between MISO and PJM, ~~These~~ these Interregional Projects will be designated in accordance with the following criteria:

Clarifies the obligation to construct an approved interregional project, even if the driver lies only in the adjacent region

~~(iii) addresses one or more constraints for which at least one dispatchable generator in the adjacent market has a GLDF of 5% or greater with respect to serving load in that adjacent market, as determined using the Coordinated System Plan power flow model~~.

Eliminates 5% GLDF criteria for Interregional Market Efficiency Projects.

Acts as an unnecessary '3rd hurdle' as projects must already meet eligibility criteria in PJM and MISO regional processes

The RTOs shall jointly evaluate the benefits to the ~~combined~~ MISO and PJM markets~~, and to each market individually, by evaluating multiple metrics using a multi year analysis to determine whether a proposed project qualified as an Interregional Market Efficiency Project. The RTOs shall perform this evaluation~~ as follows:

(a) The RTOs shall utilize their respective tariffs' benefit metrics to analyze the anticipated annual economic benefits of construction of a proposed Interregional Market Efficiency Project to Transmission Customers of each RTO.

(b) The costs applied in the cost allocation calculation pursuant to Section 9.4.4.2.3 shall be the present value, over the same period for which the project benefits are determined, of the annual revenue requirements for the project. The annual revenue requirements for the Interregional Market Efficiency Project are determined from the estimated Interregional Market Efficiency Project installed costs and the fixed charge rate applicable in each respective RTOs regional process~~ to the constructing transmission owner(s)~~.

Update consistent with FERC's EL13-88 ruling requiring IMEPs to be evaluated in each region following that region's regional process

~~**9.4.4.3 Determination of Interregional Cost Allocation Share Outside of Coordinated System Plan:**~~

~~Either RTO may request that a project be tested against the interregional cost allocation criteria during the interim periods between periodic formal releases of the Coordinated System Plan. The RTOs will conduct reviews between the formal cycles on at least an annual basis. Such tests will be performed on the best available joint planning model, as determined by the JRPC.~~

~~The joint planning model will be a minimum 5 year horizon case, modeling peak summer conditions, and will be developed by February of each year. It will be based on the current RTEP basecase for PJM and the current MTEP basecase for MISO. The basecase developed by each RTO will be based on documented procedures, which, in turn, will guide the development of the joint RTO planning model. Any disputes that arise will be resolved through the dispute resolution procedures documented in Article XIV. Each year the model will be updated by the RTOs to include changes to long term firm transmission service, load forecast, topology changes, generation additions/retirements and any other relevant system changes that may have occurred since the previous years' basecase development. The joint RTO planning model will be available to any member of PJM or MISO.~~

Remove out of cycle cost allocation provisions

Provision is unnecessary with annual Coordinated System Plan studies

Next Steps

- PJM and MISO make joint filing at FERC (June)