



Joint and Common Market

# **INCREMENTAL AUCTION REVENUE RIGHTS**

**Brian Chmielewski**  
**Manager, Market Simulation**  
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# Overview

## ■ Purpose

- Provide stakeholders with an update on the MISO-PJM plan for enhanced planning and markets coordination for the PJM customer funded IARR process

## ■ Key Takeaways

- Several discussions have taken place since November 2017
- MISO-PJM working through details to implement new preliminary Transmission Upgrade Study during feasibility study
- PJM stakeholders to pursue governing document changes to account for remaining concerns with process

# Identified Gaps in Process

- Proper transfer of FFEs is needed on impacted flowgates to support IARR request to ensure FTR Revenue Adequacy
  - MISO cannot guarantee additional FFEs on impacted flowgates given the potential risk to value for MISO stakeholders
- PJM requirement to guarantee at least 80% of IARR MW
  - PJM pursuing potential changes with PJM stakeholders to this requirement

# Proposed Coordination Improvements

- Proposed additional step for MISO-PJM IARR coordination is to perform a preliminary Transmission Upgrade Study (TUS)
- TUS purpose is to ensure that transmission allocations are granted to building entities to the extent they cause no harm to existing transmission allocations to CMP members
  - Preliminary TUS would use same topology assumptions as IARRs in the planning study
  - Verification tool to ensure upgrades identified by native entity are expected to produce requested FFEs

# Next Steps and JCM updates

- Discussions will begin at PJM March 2019 Markets Implementation Committee (MIC) meeting
- Periodic informational updates at JCM based on PJM MIC discussions

# Contacts

Please send your comments to:

- Brian Chmielewski [brian.chmielewski@pjm.com](mailto:brian.chmielewski@pjm.com)
- Joe Rushing [joseph.rushing@pjm.com](mailto:joseph.rushing@pjm.com)
- Ben Stearney [bstearney@misoenergy.org](mailto:bstearney@misoenergy.org)