Joint and Common Market

FREEZE DATE ALTERNATIVES

Background

- Reference date of April 1, 2004, known as “Freeze Date”, is used as mechanism to determine firm rights on flowgates based on pre-market firm flows.
- As we move further away from the current Freeze Date (>15 years), issues with the current date have become prominent.
- RTOs and their stakeholders agreed that there is a need to work on Freeze Date alternatives.

Phase II – Freeze Date Solution

- RTOs are close to a FFE solution. Open Items:
  - Allocation/Curtailment Priorities
  - SWPP NITS Application TSRs

- Discussions regarding FFL solution between RTOs and Non-Markets are ongoing
  - Non-Markets have concerns with Phase II proposal

- Neighboring Planning Coordination continues to be an open issue

Current Discussions

- Congestion Management Process (CMP) entities have focused on the following options:
  - Finalize FFE solution and work toward a June 1, 2020 implementation while continuing to work on a FFL solution that works for all entities
  - Delay implementation until a full Phase II solution (FFE and FFL) is finalized

- Opinions differ among CMP entities
  - Most advocate a parallel approach while remaining dedicated to identifying a FFL solution

Proposed Solution: Allocations of FFE Involves 4 Steps

Step 1

Bucket 1

- Active DNR/NRs (2004 and earlier)
- Active Historic TSRs
- LBA Granularity

Step 2

Bucket 2

- Active DNR/NRs (Post 2004)
- Active TSRs (Post 2004)
- LBA Granularity
- Priority Rights

Step 3

Bucket 3

- Transfers (limited) Excess LBAs serve short LBAs
- LBA Granularity
- Priority Rights
- 8 Year Transition period to retire this step

Step 4

Bucket 4

- Market wide transfers based on planning
- RTO Granularity
- Priority Rights
- Excess to Owner

Proposed FFE Allocation/Curtailment Solution

Allocation/Curtailment Priority Rank Proposal for FFE

Net Impact		B1				B2				B3				Incremental B4			
		Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party
>5%	Priority Rank	1				2				3				10	11		
<5%		4	5		N/A	6	7	8	N/A	9	13	14	N/A	12	15	16	N/A

- Total impact on a flowgate determined by adding up impacts 1 through 16
  - Third Party <5% are not counted towards Total impact (same as today)
- Allocations are only granted for impacts in blue (priorities 1,2,3,4,6,7,9,10,11,12)
  - >5% Impacts are allocated to all Entities (FFE only)
  - <5% impacts are only allocated to owner in B3 & B4
  - <5% Impacts in red are not allocated but counted towards Total impact
- Over allocation or Excess capacity is determined by comparing Total impacts (1-16) to Rating
- If FG over allocated, then allocations are removed starting at priority 16, until total considered allocations are at rating.
- If FG under allocated, then Excess capacity to owner

All Net Impacts on a Flowgate

	B1				B2				B3				Incremental B4				
Impacts	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Total
>5%	10	5		5	10	5		5	5	10			5	5			65
>5% rank	1				2				3				10	11			
<5%	10	5	5	5	5	5	5	5	10	10	5		5	15	5		95
<5% rank	4		5	N/A	6	7	8	N/A	9	13	14	N/A	12	15	16	N/A	

Total Net Impacts on a Flowgate = 160 MW

Net Impacts excluding Third-Party <5% Impacts

	B1				B2				B3				Incremental B4				
Impacts	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Total
>5%	10	5		5	10	5		5	5	10			5	5			65
>5% rank	1				2				3				10	11			
<5%	10	5	5	~~5~~	5	5	5	~~5~~	10	10	5		5	15	5		85
<5% rank	4		5	N/A	6	7	8	N/A	9	13	14	N/A	12	15	16	N/A	

Total Impacts on a Flowgate = 150 MW

- Third Party entity impacts are excluded as they do not honor CMP process and their <5% are not curtailable in TLR process
- Concerns with including or ignoring Third Party impacts

Over Allocated Scenario

Flowgate is over allocated when total impacts on a flowgate is greater than flowgate limit

- Total Impact (Priority 1 to 16) =150 MW
- Allocable priority Impact=105 MW
- Rating=100MW

Over Allocated by = Rating-Total Impact
Over Allocated by= 100-150= -50MW

Curtailment =50 MW to be at Limit

Entities	Total Impact	Allocable Impacts	Final Allocation
Owner	60	60	50
CMP RCF	60	35	30
CMP Non-RCF	20	0	0
Third Party	10	10	10
Total	150	105	90

- Owner (10MW plus no excess) and CMP RCF (5MW) impacts were curtailed in B3 & B4
- Total Final Allocation(90MW) is less than Rating(100MW) due to 10 MW of <5% CMP Non-RCF impact impacts exists but not allocated in B1 & B2

Net Impacts Curtailment

Impacts	B1				B2				B3				Incremental B4				Total
	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	Owner	CMP RCF	CMP Non-RCF	Third Party	
>5%	10	5		5	10	5		5	5	10			~~5~~	~~5~~			55
>5% rank	1				2				3				10	11			
<5%	10	5	5		5	5	5		10	~~10~~	~~5~~		~~5~~	~~15~~	~~5~~		45
<5% rank	4		5	N/A	6	7	8	N/A	9	13	14	N/A	12	15	16	N/A	
Total Impacts on a Flowgate after curtailment=100 MW																	

* Red indicates impacts curtailed for 50MW of over allocation to cap the impacts to flowgate rating(100MW)

Next Steps

- CMP entities to determine appropriate path forward:
  - Parallel effort to finalize and implement FFE solution on June 1, 2020 while continuing FFL discussions with the intent of identifying a solution that works for all entities?
  - Identify a FFL solution and delay implementation until the full solution is available?
- Continue Planning discussions with neighbors with the goal of improving coordination
- MISO and PJM will share the path forward at the August JCM

Contacts

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