MISO – PJM Joint and Common Market Interregional Update

May 24, 2016
Targeted Market Efficiency Project Study
Targeted Market Efficiency Project (TMEP)

- Driver is historical M2M congestion (whether or not it drives settlement payments)
- Each TMEP upgrade project to relieve congestion must be flowgate specific and meet other criteria
- Upgrade suggestions for general areas, conditions or collection of constraints may require longer term studies
- Limited scope and cost capped TMEPs complement, not replace, MEPS

Longer Term Market Efficiency Project (MEP)

- MEPS require regional issues in both RTOs and are subject to regional process project approval
- Candidate JOA MEP upgrades must also be entered for evaluation in a regional PJM competitive window in response to PJM issues
- MEP analysis is a longer and more rigorous process involving a long model development and review timeline with subsequent analysis
- Recent FERC orders involve changes to the MEP process
- MEP JOA and regional processes are under review and likely require further changes
Targeted Study Status

- M2M flowgate congestion presented at March IPSAC
- Complete list of M2M flowgates being evaluated was posted with April IPSAC
- RTOs working with facility owners to determine:
  - Congestion caused by transmission outages and nature of outages
  - Planned or recent upgrades that may relieve congestion
  - All limiting element(s) and conductor ratings
  - Potential low cost, quick implementation upgrades
- Facility specific information will be reviewed to ensure appropriate treatment of any CEII or confidential information
TMEP Proposed JOA Language
Section 9.3 & 9.4 Redlines

• Sections 9.3 and 9.4 were posted following the April meeting
• Section 9.4 was updated with comments where changes may be made based on stakeholder feedback
• Stakeholder suggestions for TMEP process improvements under review
  – TMEP cost caps
  – Improve accuracy of TMEP project benefit determination
• Additional details on concept expected next month
FERC Order on EL13-88
NIPSCO Complaint
### FERC Directed Stakeholder Involvement

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<th>Deliverable</th>
<th>Due Dates (2016)</th>
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<td>Informational 186</td>
<td>Status Reports on Gen Retirement Coordination Language</td>
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<td>Informational 92</td>
<td>Joint Model in Regional Processes</td>
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### No FERC Directed Stakeholder Involvement

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<tr>
<td>Directive P57:</td>
<td>Formalize Steps and Deadlines in CSP Study</td>
<td>20-Jun, 19-Aug</td>
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<td>Directive P131</td>
<td>Lower Interregional MEP Thresholds</td>
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<td>Directive P132</td>
<td>Remove Interregional B/C Ratio</td>
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<td>Directive P133</td>
<td>Revise Benefit Calculation of Interregional MEPs</td>
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<td>Directive P185</td>
<td>Include BPM GI Coordination Procedures in JOA</td>
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<td>Informational P58</td>
<td>Aligning Interregional, MTEP, and RTEP</td>
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• Transmission Planning Cycles
  – RTOs to create step-by-step deadlines for CSP in JOA

• Modeling and Criteria
  – RTOs to submit informational filing on how a joint model with the same regional assumptions and criteria could be implemented

• Interregional MEP voltage and cost threshold
  – MISO to lower voltage threshold to 100 kV
  – MISO to eliminate $5M cost threshold

• Interregional Cost Allocation
  – Remove interregional B/C analysis
  – Determine cost split using regional metrics
• Market-to-Market Payments
  – Complaint denied – M2M payments are duplicative (no directive)
• Generation Interconnections and Retirements
  – RTOs to include interconnection coordination procedures from their business practice manual in JOA
  – RTOs to include retirement coordination procedures in JOA
FERC Order on Order No. 1000 Compliance
On April 5, 2016, FERC Conditionally Accepted PJM and MISO’s July 2015 Interregional Order No. 1000 Compliance Filing

Subject to 6 Additional Compliance Directives

Due Date extension granted to June 20, 2016
Order 1000 Compliance Directives

- Restore the existing Cross-Border Baseline Reliability Project category and cost allocation
- Benefits of an interregional transmission project to include both approved and planned upgrades
- Clarify that “reliability projects” in MISO include MVPs and BRPs
- Clarify that Interregional Public Policy Projects include MVPs in MISO and both economic and reliability projects in PJM
- Clarify MISO’s use of discount rates in benefits calculation for Interregional Reliability and Public Policy Projects
- MISO to clarify that Interregional Market Efficiency Projects include MVP’s and MEPs