



Interregional Coordination Update

Joseph Ciabattoni

Manager, Interregional Market Operations

Market Implementation Committee

October 16, 2019



The most recent Joint and Common Market meeting was held on August 27, 2019



The next joint stakeholder meeting will be hosted by PJM on November 19, 2019 via WebEx and Conference Call



Meeting materials are posted approximately one week in advance at the [PJM/MISO Joint and Common Market Initiative](#) as well as the [Joint and Common Market](#) websites

- Reference date of April 1, 2004, known as “Freeze date”, is used as a mechanism to determine firm rights on flowgates based on pre-market firm flows.
 - CMP Members (PJM, MISO, SPP, TVA, Manitoba Hydro, and LGE/KU) have been developing a collaborative solution to update these firm rights
- CMP Members are working on the final items for the Phase 2 solution:
 - Phase 2 implementation date will be determined when individual Planning discussions are completed by each entity and a full Firm Flow Limit (FFL) solution is identified:
 - CMP members have developed design components for the Phase 2 solution
 - Firm Flow Entitlement (FFE) solution is almost finalized; Firm Flow Limit (FFL) remains an open item
 - Discussions will continue to finalize design components and whitepaper
 - Stakeholder education will occur during future MIC and JCM meetings
 - Stakeholders will be updated prior to FERC filing

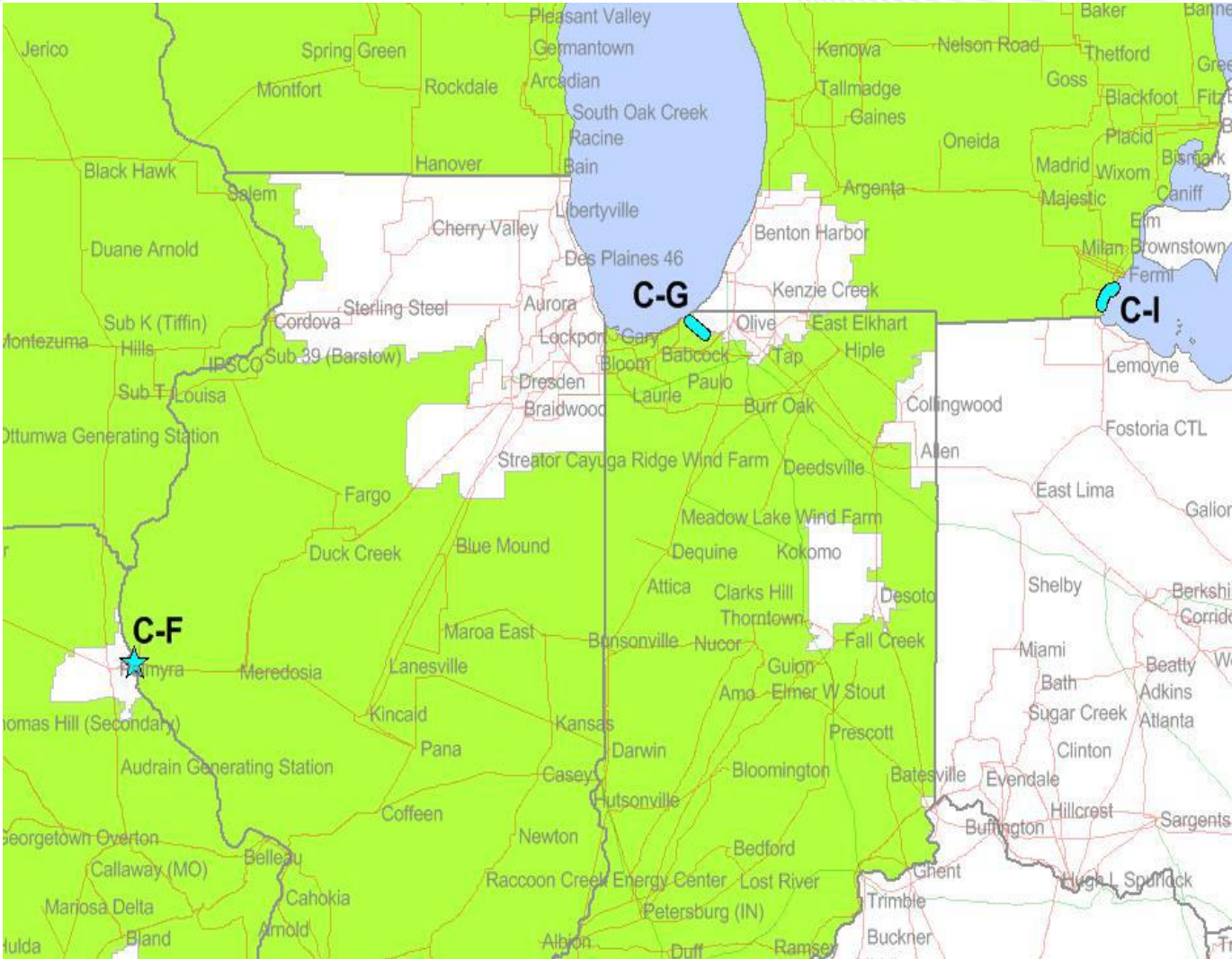


- PJM and MISO are conducting a two-year Interregional Market Efficiency Project (IMEP) study in 2018/2019
- Issues identification and benefit determination conducted in each regional process consistent with current effective JOA
- Interregional proposals must:
 - Address at least one identified issue in each region
(could be same issue if identified by both RTOs)
 - Be submitted to both regional processes

- Benefits to each RTO are determined by that RTO using their respective regional process and metrics (Tariff)
 - Note inconsistent study years and discount rates
- Costs are allocated inter-regionally based on pro rata share of benefits, as determined above
- Interregional projects must meet the B/C criteria in each RTO (based on allocated costs), qualify as an MEP under both the MISO and PJM process, and be approved by each RTO's board
- Final recommendations will be presented to the PJM Board of Managers for consideration in the November-December (2019) time frame

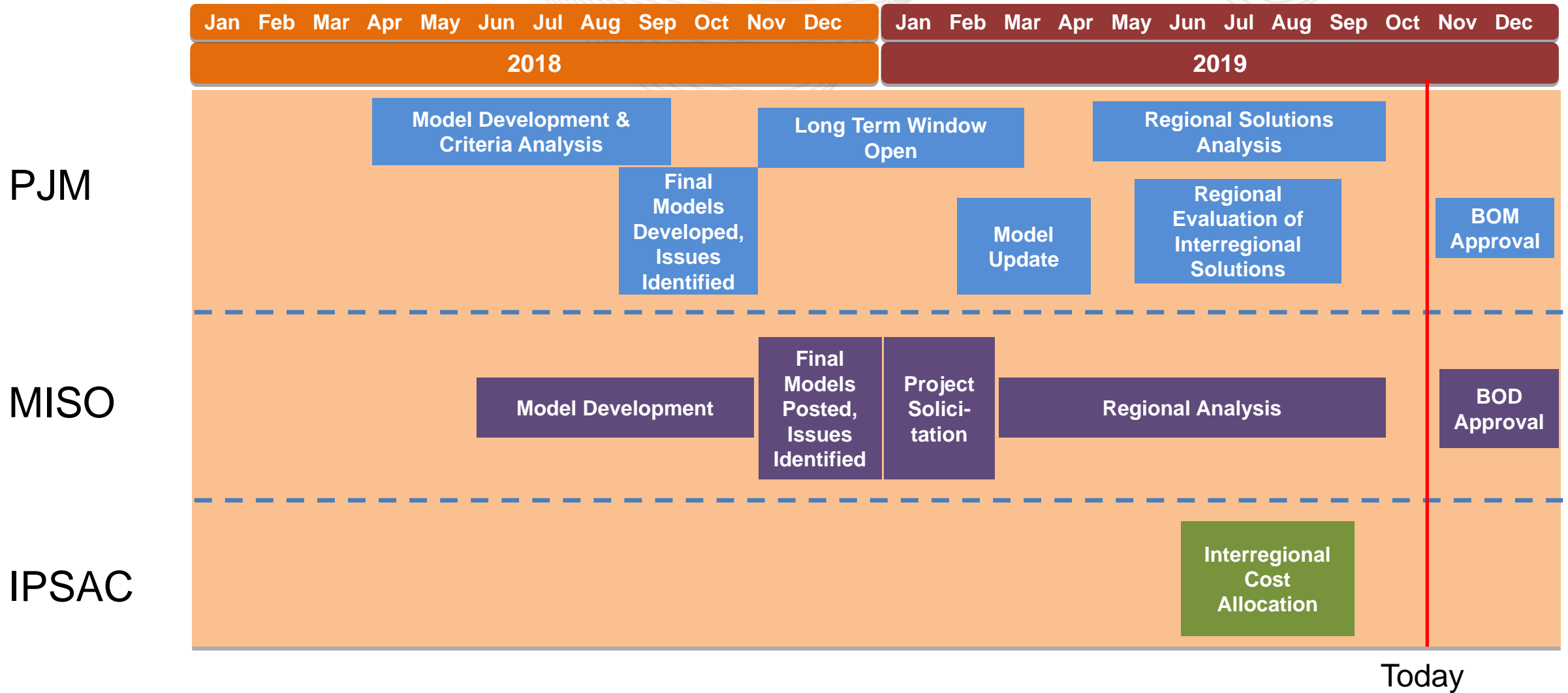
Interregional Congestion Drivers

- Flowgate C-G: Bosserman to Trail Creek 138kV
 - Historically binding M2M constraint. Congestion driven by nearby retirements, which increase east to west flows in northern Indiana.





Market Efficiency - Estimated Timeline





PJM-MISO Issue Status & Market-to-Market Settlement Adjustments

- Issue status and drill down reports available at below websites:
 - [PJM/MISO Joint and Common Market Initiative](#)
 - [Joint and Common Market](#)
- No pending market-to-market settlement adjustments:
 - Pseudo-Tie Overlapping Congestion (PTOC) Settlement Hearings have been initiated per FERC's order
- The next JCM meeting is schedule for:
 - Tuesday November 19, 2019 via WebEx and Conference Call



Planning Issues

- Cross Border Planning Projects

Market Issues

- CTS Metrics
- Freeze Date Alternatives
- IARR Updates
- M2M Enhancements
- Soliciting Stakeholder feedback for 2020 topics

Administrative

- Update on M2M Settlement Adjustments
- Issue Status

- PJM and NYISO discussed changes to the current Firm Flow Entitlement (FFE) calculation:
 - FERC approved the PJM/NYISO filing on August 28, 2019
 - PJM and NYISO are coordinating implementation plan
 - East Towanda – Hillside waiver superseded by the August 28, 2019 FERC approval of PJM/NYISO JOA changes

- PJM and TVA continue to review the Joint Reliability Coordination Agreement (JRCA)
 - General review of JRCA
 - Updating Article IX – Planning section
 - Adding LGE-KU to the JRCA
 - FERC filing for changes (as it applies to PJM and LGE-KU) expected in Q4 2019
 - Updates will be reviewed with PJM Stakeholders prior to FERC filing