



Joint and Common Market

INCREMENTAL AUCTION REVENUE RIGHTS

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May 21, 2019



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
 - PJM stakeholders to pursue governing document changes to account for remaining FTR revenue adequacy concerns with process

Update

- PJM Markets Implementation Committee endorsed a problem statement and issue charge to address concerns with the interregional IARR coordination
- Key work activities:
 - Education on the current IARR practices and relevant history
 - Explore ways to best document and implement any potential enhancements to the IARR process for a Customer-funded Upgrade request that impacts current or future coordinated flowgates

Next Steps and JCM updates

- Discussions will start Q2 and continue through Q3 at PJM Markets Implementation Committee (MIC) meeting
- Periodic informational updates at JCM based on PJM MIC discussions

IARR Issue Review

- **Refresher** – Upgrades do not guarantee corresponding adjustments to Firm Flow Entitlements (FFE) due to Congestion Management Process (CMP) rules
 - PJM provided education on Appendix G of the CMP at the February 2018 JCM
- As an accompanying solution, PJM believes estimation of FFE adjustments could be beneficial to stakeholders as it will provide a higher likelihood that cross border projects associated with IARRs will result in proper FFE adjustments

Preliminary Transmission Upgrade Studies

- FFE adjustment estimation requires running CMP based calculations with and without proposed upgrades. This is known as a Transmission Upgrade Study (TUS)
- These proposed TUS calculations would capture differences in “historic” flowgate impacts on forward looking basis

Preliminary Transmission Upgrade Studies

- Assumptions for estimating FFE adjustments
 - Topology – apply CMP mandates on RTEP case used to evaluate IARR
 - Load Forecast – planning based forecast
 - DNR/TSR Dispatch – Current CMP Generator Merit order and Historic TSR list
 - Flowgates – Current set of Reciprocally Coordinated Flowgates for which PJM coordinates. Potential future flowgates may be considered in addition.

Contacts

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