

# Interregional Coordination Update

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Markets Implementation Committee  
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The most recent Joint and Common Market meeting was held on February 25, 2019



The next joint stakeholder meeting will be hosted by PJM on August 18, 2020 in-person or via WebEx



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

## Planning Issues

- Interregional Planning

## Market Issues

- Freeze Date
- M2M Enhancements

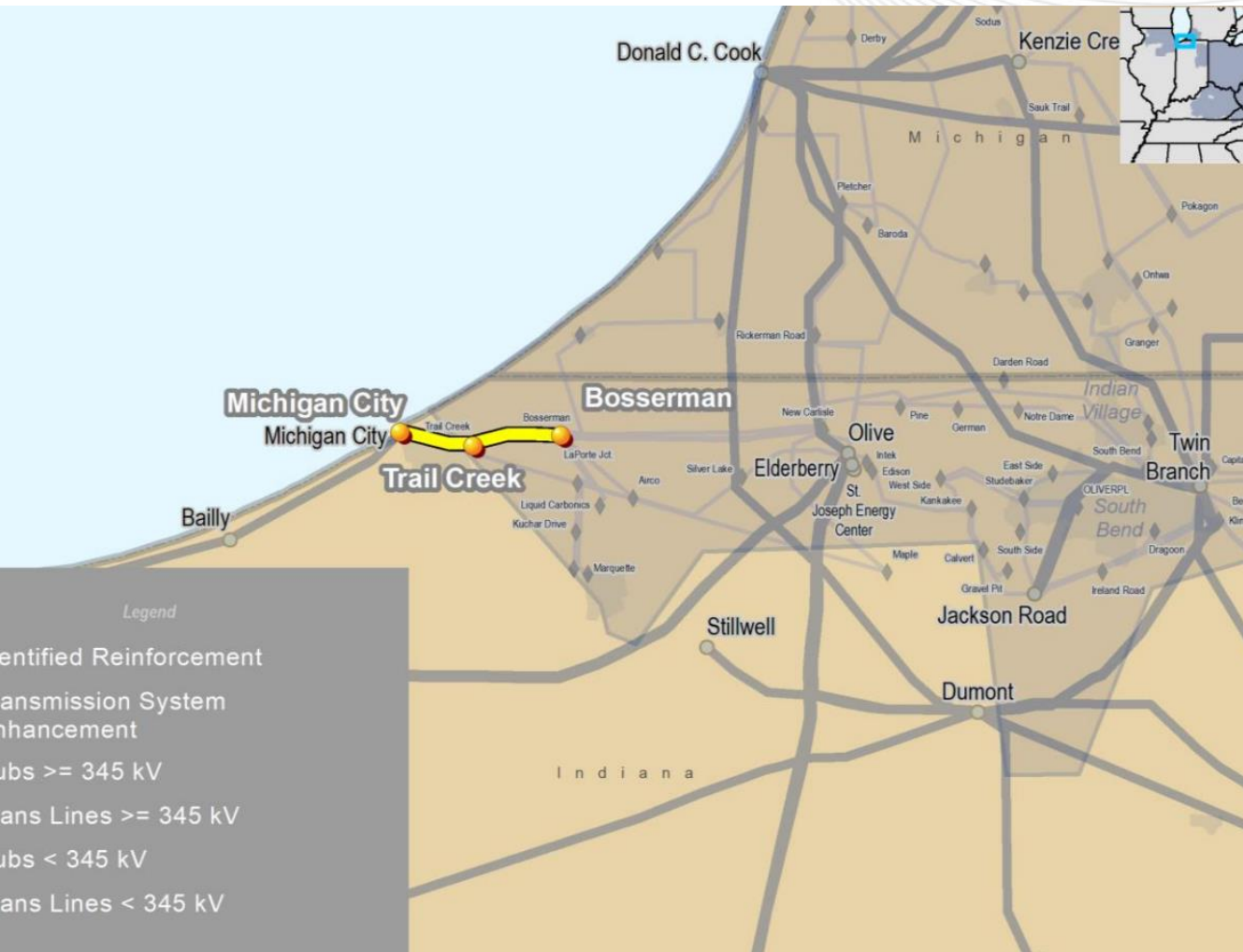
## Administrative

- M2M Settlement Adjustments
- Issue Status
- Biennial Review

Submit additional  
Stakeholder topics  
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- Issue status and drill down reports available at below websites:
  - [PJM/MISO Joint and Common Market Initiative](#)
  - [Joint and Common Market](#)
- Biennial Review of MISO-PJM Joint Operating Agreement:
  - <https://pjm.com/markets-and-operations/energy/market-to-market.aspx>
- Pending market-to-market settlement adjustments
  - Pseudo-Tie Overlapping Congestion (PTOC) Settlement was filed with FERC March 18, 2020, MISO and PJM are waiting for FERC approval.





- The PJM Board approved project b3142 (BT-481), the rebuild of Michigan City to Trail Creek to Bosserman 138kV lines, December 3, 2019
  - The approval is conditional on MISO approval of same project
- MISO included Project NC-11 in Appendix B of MTEP19 Approved by Board
  - MISO expects Board approval in June 2020

- PJM and NYISO discussed changes to the current Firm Flow Entitlement (FFE) calculation:
  - PJM and NYISO implemented updated FFEs on April 7, 2020

- 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
  - Final language is being moved through the TOA-AC and PC for planning changes
  - FERC filing for changes (as it applies to PJM and LGE-KU) expected in Q3, 2020
    - Updates will be reviewed with PJM Stakeholders prior to FERC filing
      - OC, MC Webinar



- Status
  - JOA changes were filed with FERC on December 19, 2019
  - MISO-PJM submitted a clarification filing on February 18, 2020
  - FERC accepted the filing March 6, 2020
  - Deactivation of Constraint Relaxation on MISO-PJM M2M flowgates was delayed due to software issues
    - MISO and PJM are testing new software release
    - Expected implementation either June 1 or July 1, pending successful completion of testing







## PJM-MISO Freeze Date and Firm Flow Entitlements

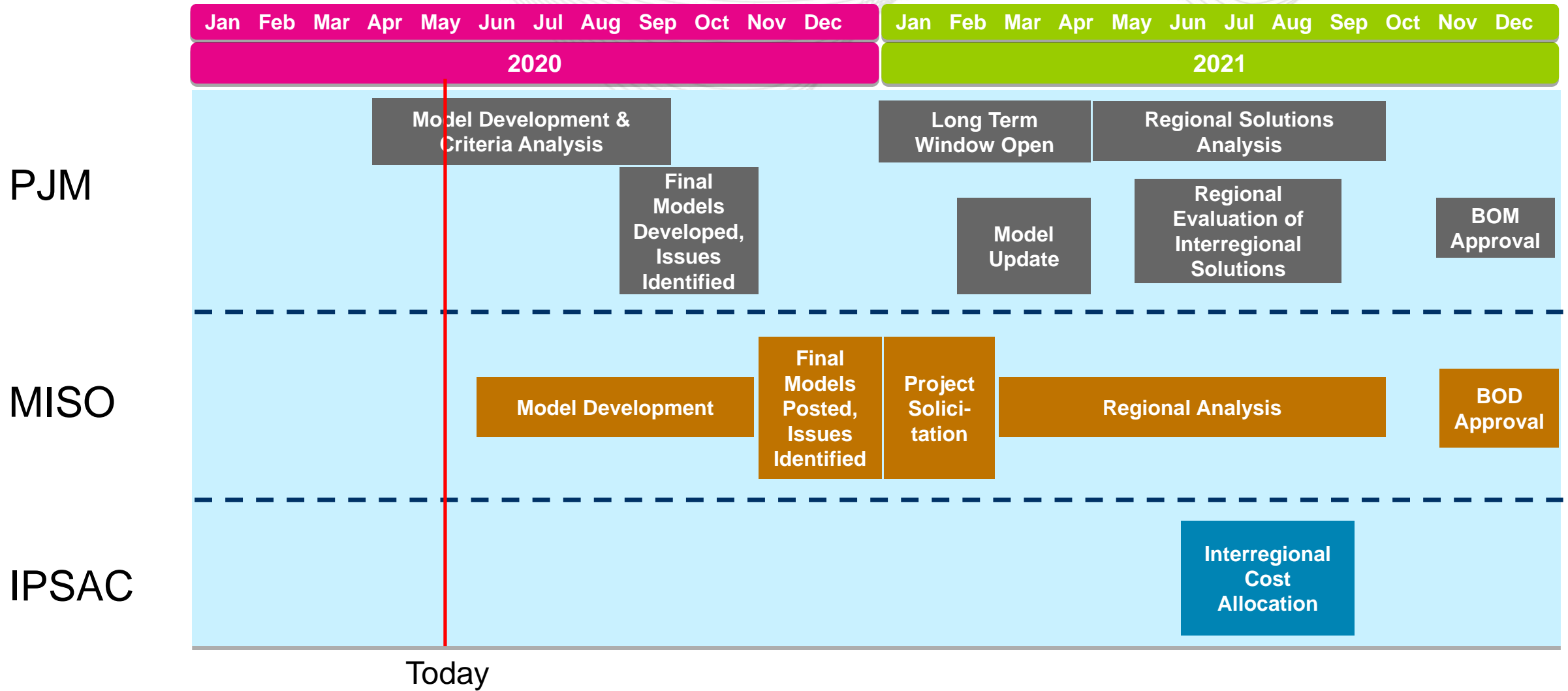
- Reference date of April 1, 2004, known as “Freeze date”, is used as a mechanism to determine firm rights on flowgates based on pre-market firm flows.
  - CMP Members (PJM, MISO, SPP, TVA, Manitoba Hydro, and LGE/KU) have been developing a collaborative solution to update these firm rights
- CMP Members 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
    - CMP members have developed design components for the Phase 2 solution
      - Firm Flow Entitlement (FFE) solution is almost finalized; Firm Flow Limit (FFL) remains 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 2020/2021
- 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 (2021) time frame

# Market Efficiency - Estimated Timeline



- Key Takeaways
  - MISO/PJM pursuing turning off Constraint Relaxation on M2M flowgates
  - Constraint Relaxation was deactivated:
    - MISO for internal constraints on Feb 1, 2012
    - PJM for internal constraints on Feb 1, 2019
  - Removal of Constraint Relaxation allows constraints that would otherwise unbind to bind at the penalty factor
  - More consistent dispatch and market signals