



Joint and Common Market

ITEM 7 - FREEZE DATE ALTERNATIVES



Overview

- Purpose
 - Provide status update and solicit feedback on Freeze Date Alternatives discussion
- Key Takeaways
 - Two Proposals are considered
 - 1 MISO Proposal
 - 1 PJM/SPP Proposal
 - These Proposals are Under Review by Congestion Management Process Working Group (CMPWG)
 - Targeting a status update to Congestion Management Process Council (CMPC) at the end of 1st Quarter 2015

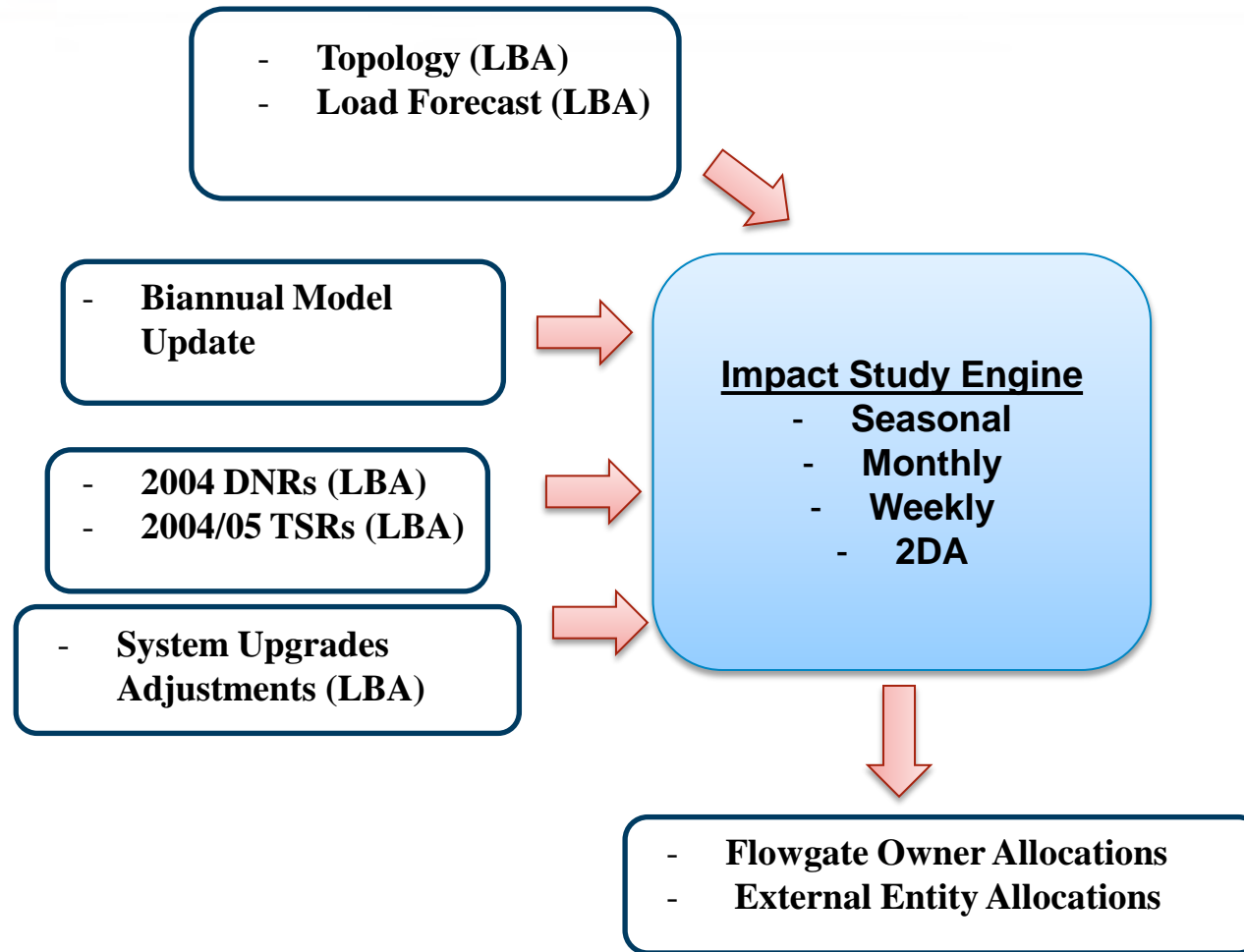
Background

- 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 (10 years), issues with the current freeze date become prominent
- RTOs and their stakeholders agreed that there is a need to work on Freeze date alternatives

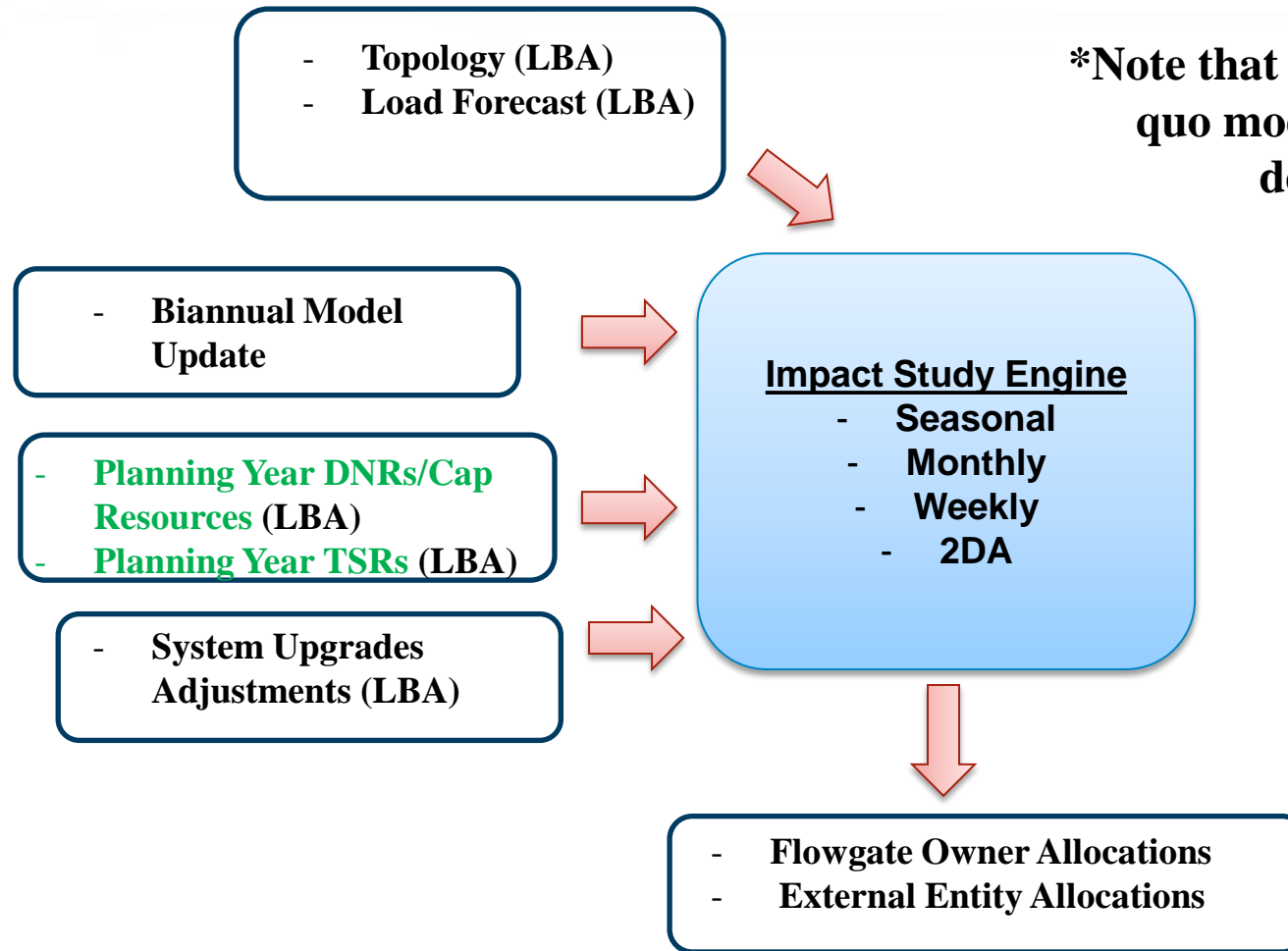
Completed Work – High Level Summary

- CMPC approved Firm Flow (Allocation) Calculation Guiding Principles that is necessary to develop a feasible solution
 - Reliability
 - Coordination
 - Equity
 - Efficiency
- CMPC has met two times since the last JCM to discuss CMPWG progress
 - CMPC advised the CMPWG to concentrate on 2 proposals out of the 4 original proposals – 1 MISO Proposal and 1 PJM/SPP proposal
- CMPWG has met on a bi-weekly basis since last JCM
 - Working group members are in the process of understanding the two proposals
 - Working group members have identified four key components that requires detailed attention

Current “Freeze Date” Allocation Model



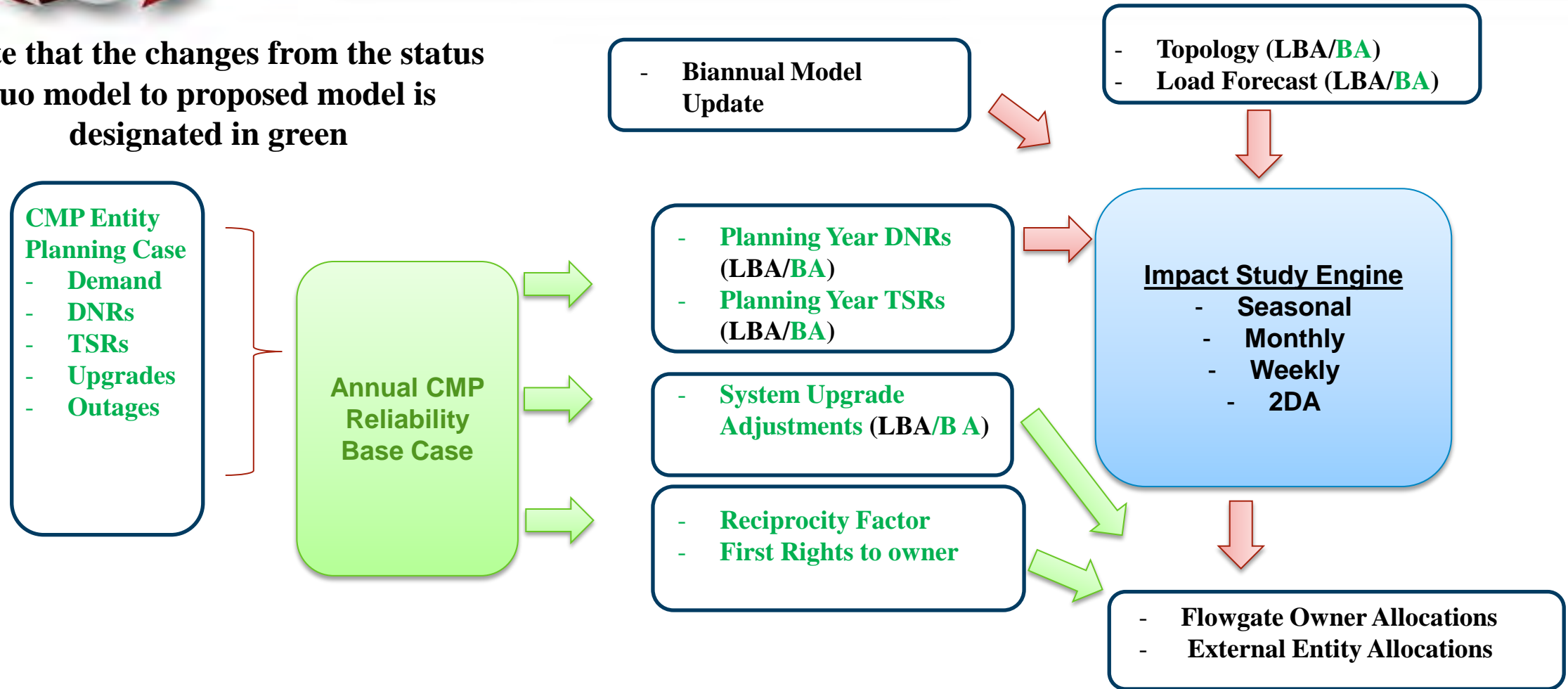
MISO Proposed Allocation Model



*Note that the changes from the status quo model to proposed model is designated in green

PJM/SPP Proposed Allocation Model

*Note that the changes from the status quo model to proposed model is designated in green



Allocation Design Component Comparison (Status Quo vs Proposals)

Design Component	Status Quo	MISO Proposal	PJM-SPP Proposal
Granularity	LBA	LBA	RTO or LBA
DNRs	4/1/2004	Capacity Resources (Internal & External)	Planning Year DNRs
TSRs	6/1/2004 to 5/31/2005	Planning Year TSRs	Planning Year TSRs
Topology	Current System Topology	Current System Topology	Planning & Current System Topology
Run Types	Seasonal, Monthly, Weekly, Daily	Seasonal, Monthly, Weekly, Daily	Annual, Seasonal, Monthly, Weekly, 2DA
Incremental Upgrades	TUS + Appendix G DNRs	TUS + Appendix G DNRs	CMP Reliability Base Case
Merit Order	Priority 0 thru 99 per LBA	Priority 0 thru 99 per LBA	Priority 0 thru 99 for RTO or LBA
Reciprocity	NA (mutual usage is not recognized)	NA (mutual usage is not recognized)	Reciprocity Factor recognizing mutual usage
Higher of Logic	Yes	Yes	Yes
Excess Allocations	Socialized	Owner(s)	Owner(s)
First Rights	Historic Usage	Historic Use Plus	Owner(s)

Next Steps

- CMPWG will continue to discuss/test the different options
- CMPC Status Update is due end of 1st Quarter 2015
- RTOs will update the stakeholders during the upcoming JCM Sessions
 - Solicit stakeholder feedback – send comments to:
 - Ron Arness rarness@misoenergy.org
 - Asanga Perera perera@pjm.com