



Joint and Common Market

ITEM VI - FREEZE DATE ALTERNATIVES



Overview

- Purpose
 - Provide status update and solicit feedback on Freeze Date Alternatives discussion
- Key Takeaways
 - Given the complex nature of freeze date firm flow rights construct, RTOs have been discussing a two phase approach to develop alternatives
 - Phase 1 will address Market to Market (M2M) and phase 2 will address Transmission Loading Relief (TLR)
 - RTOs have decided to put aside the compromise approach discussed in the previous JCM discussions to focus efforts on a new compromise two phase approach

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

Recap of Completed Work – High Level Summary

- CMPC approved Firm Flow (Allocation) Calculation Guiding Principles that are necessary to develop a feasible solution
 - Reliability
 - Coordination
 - Equity
 - Efficiency
- CMPC and the CMP Freeze Date Task Team continue review the two MISO and PJM/SPP proposals:
 - Reference Feb JCM Freeze Date material/appendix
- RTOs discussed the potential to combine the MISO & PJM/SPP proposals to develop a compromise solution
- Since June, 2015 RTOs realized the complex nature of the compromised solution and decided to focus efforts on addressing M2M first and TLR later

Freeze Date for M2M

- Three RTOs (PJM, MISO and SPP) are in preliminary discussions to explore the possibility to allocate M2M FFEs using
 - Base level FFEs
 - Residual FFEs
- RTOs discussed leveraging its Long Term Auction Revenue Rights (ARR) process to develop base level FFEs
 - RTOs compared each others guaranteed ARR nomination process and discovered similarities and differences
 - Based on similarities RTOs are developing a proof of concept study to understand the feasibility of this concept
- RTOs have discussed the need to incorporate a residual FFE calculation to address any access capability beyond base level FFEs

Next Steps - Freeze Date for M2M

- RTOs to complete the base level FFE study
- RTOs to develop different options to address the residual FFE calculation
- RTOs to discuss progress at upcoming CMPC and JCM sessions

Next Steps

Solicit stakeholder feedback – send comments to:

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