

MISO – PJM Joint and Common Market Cross Border Transmission Planning

February 28, 2017

- Targeted Market Efficiency Projects
- 2-Year Coordinated System Plan Study
- FERC Order No. 1000 Interregional Compliance
- FERC EL13-88 'NIPSCO' Docket

Targeted Market Efficiency Projects (TMEPs)

- Targeted Market Efficiency Project (TMEP) JOA edits filed December 30, 2016
 - Defines study process, benefits, and interregional split of benefits
 - Regional Tariff filings within 120 days (April 29, 2017)
- Still working on regional cost allocation
 - In MISO: RECBWG
 - MISO refining its regional cost allocation proposal based on ongoing discussion with its stakeholders
 - In PJM: PJM TOAAC
 - 30-day notice and comment period has started

- Targeting end of April 2017 to file associated Tariff changes
 - Defining this new regional project type
 - Separate from all existing categories (e.g. MEPs)
 - Regional cost allocation
- Request 60 day response from FERC
- Pending FERC response, submit projects to Boards at first opportunity

- RTOs consider analysis complete and recommendations final
 - Waiting on Tariff approval before submitting to Boards

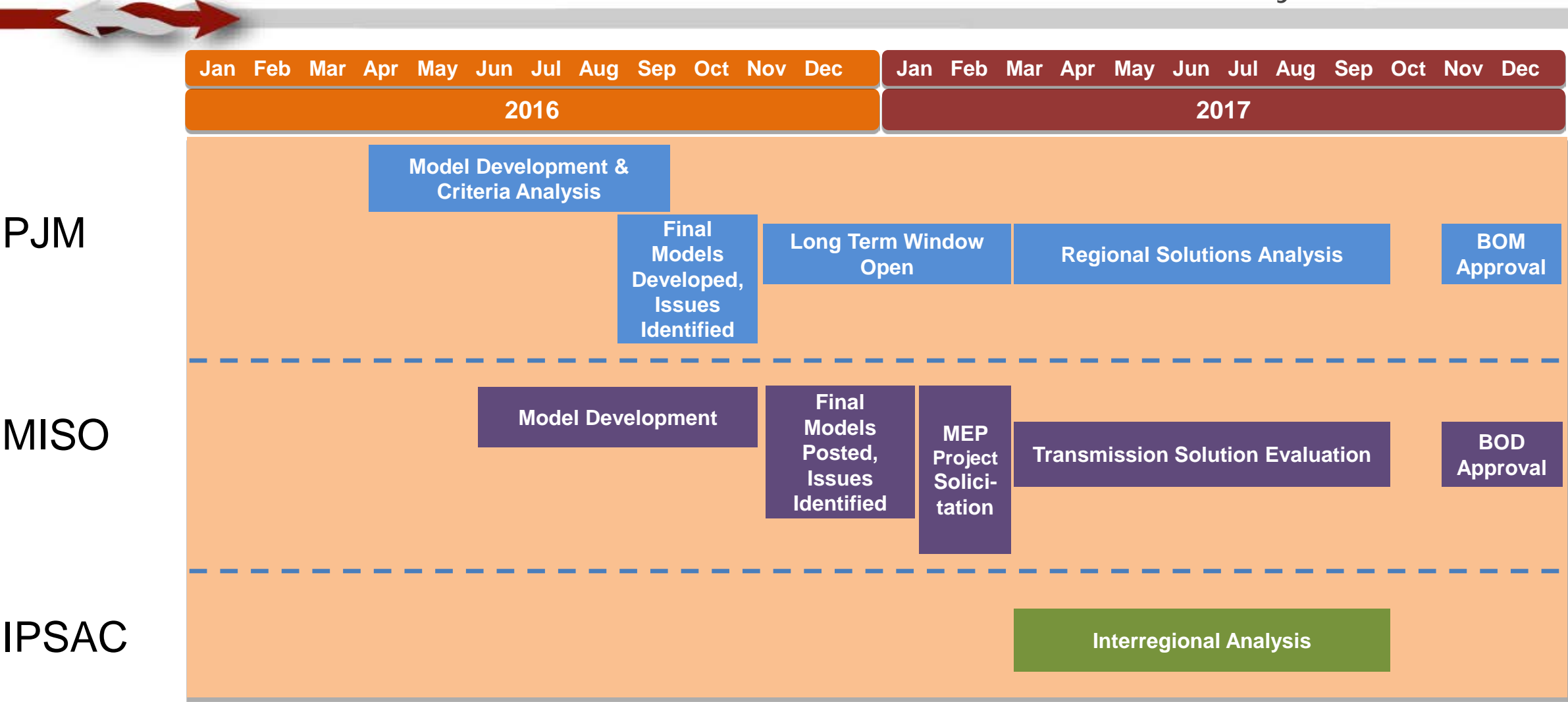
- 50 M2M flowgates investigated
- 13 potential upgrades evaluated
- 5 project recommended
 - \$59 million in historical congestion (2014 + 2015)
 - \$99.6 million estimated TMEP benefit
 - \$17.25 million estimated TMEP cost
 - 5.8 average benefit/cost ratio

Facility	Transmission Owner(s)	TMEP Cost (Million \$)	TMEP Benefit (Million \$)	Benefit Allocation (%PJM/%MISO)
Burnham - Munster 345kV	CE - NIPS	7	32	88/12
Bayshore - Monroe 345kV	ATSI - ITC	1	17	89/11
Michigan City - Bosserman 138kV	NIPS - AEP	4.6	29.6	90/10
Reynolds - Magnetation 138kV	NIPS	0.15	14.5	41/59
Roxana - Praxair 138kV	NIPS	4.5	6.5	24/76
Total		17.25	99.6	71/29

2-Year Coordinated System Plan Study

- RTOs developed a 2-year interregional process to better align with regional processes
 - Reinforced through FERC Docket EL13-88 ('NIPSCO') JOA changes
- First year focused on issues identification
- Second year focused on proposal evaluations

2-Year Study Timeline



- RTOs published regional issues for interregional project consideration
- Interregional project solicitation ends today (February 28, 2017)
- RTOs will evaluate interregional projects submitted to both regional processes

FERC Order No. 1000 Interregional Compliance

- FERC issued Order on Rehearing and Compliance Filings on October 28, 2016
- Fourth Compliance Filing submitted November 22, 2016
 - RTOs submitted revisions to the JOA to make clear when Cross Border Baseline Reliability Project and Interregional Reliability Project cost allocation methods will apply
 - RTOs revised JOA sections 9.4.3.1.2-4 to clarify which Criterion the Multi-Value Projects must meet in MISO's Tariff
- FERC's final Order accepted revisions January 9, 2017
 - No additional compliance filing
 - Concludes dockets ER13-1943 and ER13-1944

FERC Order EL13-88 ('NIPSCO') Docket

- All directives from April 21, 2016 Order were completed

FERC Directed Stakeholder Involvement

Deliverable		Due Dates (2016)				Stakeholder Forum
		20-Jun	19-Aug	18-Oct	15-Dec	
Directive P186	Include Generator Retirement Coordination Procedures in JOA	✓	✓	✓	✓	IPSAC, PSC, PC
Informational P186	Status Reports on Gen Retirement Coordination Language					
Informational P92	Joint Model in Regional Processes			✓		IPSAC, PSC, PC

No FERC Directed Stakeholder Involvement

Deliverable		Due Dates (2016)		Stakeholder Forum (Informational Updates)
		20-Jun	19-Aug	
Directive P57	Formalize Steps and Deadlines in CSP Study	✓		IPSAC, PAC, TEAC
Directive P131	Lower Interregional MEP Thresholds	✓		IPSAC, RECB, TEAC
Directive P132	Remove Interregional B/C Ratio	✓		IPSAC, RECB, TEAC
Directive P133	Revise Benefit Calculation of Interregional MEPs	✓		IPSAC, RECB, TEAC
Directive P185	Include BPM GI Coordination Procedures in JOA	✓		IPSAC, PSC, TEAC
Informational P58	Aligning Interregional, MTEP, and RTEP		✓	IPSAC

- FERC issued Order on Rehearing and Compliance on January 19, 2017
 - Accepted June 20, 2016 filed JOA and Tariff changes
 - Detailed Coordinated System Plan study steps and timeline (subject to further compliance)
 - Removal of interregional B/C (i.e. “third hurdle”)
 - Use of regional benefits as interregional cost split
 - Generator interconnection coordination
 - Lowering 345 kV and removal of \$5 million Interregional MEP thresholds (MISO Tariff)
- FERC accepted (in separate Order) December 15, 2016 filed JOA change
 - Generation deactivation coordination

- Rehearing requests denied
 - NIPSCO: Require M2M payments as Interregional MEP benefit
 - MISO and PJM: Joint metric is not a hurdle
 - OMS: Sub-345 kV Interregional MEPs should not be classified as MEPs
 - Generator Group: RTOs should better identify constraints and flowgates
 - MISO TOs: Interregional B/C is critically important; MEP thresholds should not be eliminated
- Request for clarification granted
 - OMS: Lowering the MEP voltage does not pre-determine cost allocation
- Request for clarification denied
 - ITC: MISO must lower MEP voltage with SPP

- MISO and MISO TOs request for 60 day extension granted by FERC
- All directives due April 24, 2017 (30 + 60 days from issuance)

Ordering Paragraph	FERC Directive
51	Confirm that the existing Market Efficiency Project cost allocation method will apply to MISO's share of the cost of interregional economic transmission projects above 100 kV but below 345 kV that qualify as Market Efficiency Projects or to propose tariff revisions to apply a different regional cost allocation method for MISO's share of the cost of such projects. Upon review of MISO's compliance filing, including any supporting evidence, and consideration of any comments filed in response, the Commission will determine the just and reasonable MISO regional cost allocation method for MISO's share of the cost of interregional economic transmission projects above 100 kV but below 345 kV that qualify as Market Efficiency Projects.
70	Provide that the Joint RTO Planning Committee shall provide a schedule and binding deadlines for the steps in each Coordinated System Plan Study process no later than 15 days after the Interregional Planning Stakeholder Advisory Committee meeting provided for in section 9.3.6.2(b)(ii). We note that, as provided in section 9.3.6.2(a)(vii) of the JOA, regardless of the intervening deadlines, the Coordinated System Plan Study must be completed no later than the end of the second year of the two-year cycle.

Ordering Paragraph	FERC Directive
71	Revise section 9.3.6.2(a)(vi) of the JOA, as follows: (vi) <u>If a</u> Coordinated System Plan study may <u>includes</u> targeted studies of particular areas, needs or potential expansions to ensure that the coordination of the reliability and efficiency of the Parties' transmission systems, <u>then such targeted studies</u> will be conducted during the first half of the calendar year. In years when the Coordinated System Plan study includes only targeted studies as defined herein, they may be conducted at any time during the calendar year but will be targeted for completion <u>shall be completed</u> within the calendar year in which they are identified.
78	Revise the JOA to include a description of how specific steps in the Coordinated System Plan Study process interact and coordinate with specific steps in the MTEP and the RTEP.
83	Change the reference to section 9.4.4.2.2 in proposed section 9.4.4.1.3.1(b) to 9.4.4.2.3 (Cost Allocation for an Interregional Market Efficiency Project).
84	Submit an updated version of Attachment FF to include all currently effective language.
84	MISO and PJM to submit JOA tariff records in which the section numbers are identical to resolve any confusion created by the different numbering of the JOA used by each RTO.

- Jesse Moser, MISO
jmoser@misoenergy.org
- Paul McGlynn, PJM
paul.mcglynn@pjm.com