



Joint and Common Market

ITEM 4 - FREEZE DATE ALTERNATIVES

February 28, 2017



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.

Overview

- Purpose
 - Provide status update and solicit feedback on Freeze Date Alternatives discussion.
- Key Takeaways
 - RTOs (SPP, MISO and PJM) have general consensus on key issues.
 - Phase 1 will address Market to Market (M2M) and phase 2 will address Transmission Loading Relief (TLR)
 - Joint whitepaper being developed

Freeze Date for M2M: Actions to Date

Date	Action
August 2013	CMP council directed CMPWG to develop Freeze Date alternatives
September 2013	Guiding Principles presented at JCM
February 2014-January 2015	CMPWG Task Force meetings
February 2015	CMP Council advised the CMPWG to concentrate on the MISO and PJM/SPP proposals to develop compromised solution
June 2015	<p>RTOs agreed because of complex nature of compromised solution to focus first on M2M then TLR</p> <ul style="list-style-type: none"> Results in 3 party meetings between PJM, MISO, and SPP
September 2015	Reviewed potential to leverage ARR processes
February 2016	RTOs could not agree on leveraging ARR process because of different RTO ARR constructs
February 2016 –December 2016	RTO weekly 3 party meetings to review all options and solutions
January 2017-Present	RTOs draft whitepaper

Discussions Among RTOs: Priorities

RTOs have set priorities to focus on for inputs to FFE calculation for collaborative solution

- Designated Network Resource (DNR) eligibility for internal and external (Pseudo Tie) resources
- Transmission Service Requests (TSRs) eligibility
- Generation to Load/Transfer impact
- Distribution of excess allocations
- Granularity (LBA or RTO level)

PRIORITY

Solution Components

RTOs have reached a general consensus on the following high priority items

- Allocations of FFE using a Bucket Approach
- Pseudo Tie Resources
 - FFEs align with planning/allocation of rights
- RTO Planning Coordination to align Markets and Reliability



Proposed Solution Components

Design Component	Status Quo	Proposed Solution
Granularity	LBA	LBA and RTO
DNRs	Higher Priority: Freeze Date DNRs Lower Priority: Post Freeze Date DNRs	Higher Priority: Freeze Date DNRs Lower Priority: Post Freeze Date DNRs
TSRs	Freeze Date TSRs only	Higher Priority: Freeze Date TSRs Lower Priority: Post Freeze Date DNRs
Transfers	No Transfers	Transfers to align with RTO
Pseudo-ties	FFE remains with Native BA	Align FFE with transmission rights
Topology	Current System Topology	Current System Topology
Run Types	Seasonal, Monthly, Weekly, Two Day Ahead, Daily	Seasonal, Monthly, Weekly, Two Day Ahead, Daily
Incremental Upgrades	TUS + Appendix G DNRs	TUS + Appendix G DNRs (Future initiative)
Excess Capacity	Socialized among entities	Owner receives rights to excess
Directional Allocation/Net Allocation	Directional Allocation	Net
Update Frequency	Freeze Date	Annual or more frequent
Additional components to review	Merit Order, Allocation Methodology, Non-Market impacts	

Joint Proposal: Whitepaper

- The CMPWG is in the process of developing a white paper that will include the following:
 - Background of existing process
 - Summary of solution
 - Details of current and proposed solution for different components
 - Examples
- Whitepaper Table of Contents posted with JCM materials
- Collaboration required by all CMPWG entities
 - Market Entities: PJM, MISO, SPP
 - Non-Market Entities: TVA, Manitoba Hydro, LGE

Tentative Timeline

- Complete Whitepaper March 2017
 - Market entities
 - Non-Market entities
- Tariff/CMP filing 2nd Quarter
 - Develop Tariff language changes
 - Stakeholder review
 - CMP council approval and FERC Filing
- FERC filing 3rd Quarter
- Implementation June 2018

Next Steps - Freeze Date

- Continued discussions among CMPWG entities
- Complete Whitepaper
- RTOs to discuss progress at upcoming CMPC and JCM sessions

Contacts

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