



Joint and Common Market

FREEZE DATE ALTERNATIVES



Overview

- Purpose
 - Provide status update and solicit feedback on Freeze Date Alternatives discussion.
- Key Takeaways
 - RTOs (SPP, MISO and PJM) continue to have general consensus on key issues
 - Phase 1 scope has been decreased, delaying TSR accounting to Phase 2
 - Phase 1 implementation is June 2018
 - Ongoing discussion regarding remaining design components that will be implemented in Phase 2

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.

Phase 1 – Changes to Firm Rights

Implements key and unanimously agreed upon design components of the Straw Proposal to be effective June 1, 2018

- Designated Network Resource (DNR) eligibility/dispatch
- ~~Transmission Service Requests (TSRs) eligibility~~
(removed from Phase 1 scope)
- Phase 1 mock impact analysis complete
- Ongoing discussion commitment to full proposal of Phase 2, implementation June 2019

Phase 1 DNR & TSRs

	Current Practice	Phase 1 (Summer 2018)	Phase 2
DNR	<ul style="list-style-type: none"> Freeze date units with a defined dispatch order Post 2004 pro rata (as needed) 	<ul style="list-style-type: none"> Freeze date units with a defined dispatch order Post 2004 units apply a defined dispatch order 	Phase 1 + transfers (Bucket 3 & 4)
TSR	Freeze Date TSRs impacts are netted on an LBA basis (net import or net export)	<ul style="list-style-type: none"> Freeze Date TSR gross accounting for imports and exports Adjustment to LBA generation for export Adjustment to LBA load for import 	<ul style="list-style-type: none"> Freeze Date TSR accounting TSRs accounted for at the unit level Post Freeze Date Inter BA TSRs

Completed Phase 1 Initiatives

- CMP Council requested “Mock Analysis” in order to evaluate impacts of Phase 1 changes
 - Each CMP member submitted a Merit Order file for review by the CMPWG
 - OATI completed “mock analysis” runs to determine impact of Phase 1 changes
- Through review CMP members identified scenarios that TSR Freeze Date accounting changes did not consider, to allow for additional vetting of these scenarios TSR accounting was removed from Phase 1 scope
 - Phase 1 scope decreased to only include dispatch order adjustments for post 2004 generator units
- Revised mock analysis resulted in limited changes in impacts as expected with the reduced Phase 1 scope
- With the decrease in scope likely no tariff changes for Phase 1 are required

Phase 2 – Full Straw Proposal

Allows for proper discussion and agreement for all outstanding solution design components

- Firm Flow Limit (Non-Market facility limits)
- Intermittent Resources
 - Wind and solar treatment
- Transfer Feasibility
 - Ensure planning based reliability
- Merit order (dispatch order)



Tentative Timeline

Due Date	Action
June 1, 2018	Phase 1 Implementation Summer 2018
Fall 2018	Full Implementation CMP/ JOA changes FERC filing
June 1, 2019	Full Implementation

Next Steps - Freeze Date

- Continued discussions among CMPWG entities
- Complete Whitepaper
- RTOs to discuss progress at upcoming CMPC, JCM sessions and respective RTO stakeholder meetings

Contacts

Solicit stakeholder feedback – send comments to:

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Appendix – Straw Proposal Overview

Proposed Solution: Allocations of FFE Involving 4 Steps

Step 1

Bucket 1

- Active DNR/NRs (2004 and earlier)
- Historic TSRs
- LBA Granularity

Step 2

Bucket 2

- Active DNR/NRs (Post 2004)
- LBA Granularity

Step 3

Bucket 3

- Transfers (limited) Excess LBAs serve short LBAs
- LBA Granularity
- 10 Year Transition period to retire this step

Step 4

Bucket 4

- Market wide transfers based on planning
- RTO Granularity
- Excess to Owner

Details of Buckets 1 & 2

- Retain the original intent and purpose of the Freeze Date by continuing LBA granularity
- Bucket 1 - includes historic Freeze Date DNRs
- Bucket 2 – Post 2004 DNRs eligible to participate in Bucket 2
- TSRs between BA's participate in Bucket 1 & 2
 - Freeze Date TSRs Bucket 1
 - Post Freeze Date TSRs Bucket 2
- TSRs within BA's participate in Bucket 1 including both active and inactive TSRs
 - Inactive TSRs represented now by Network Service
 - TSRs within BA's, post 2004, primarily represented by Network Service

Details of Buckets 3 & 4

- Incorporate transfers between LBAs
 - Transfers not included in current Freeze Date process
- Bucket 3 transfers are initially limited to LBAs with excess gen to serve short LBAs
 - Transition period with eventual removal of Bucket 3
- Bucket 4 market based transfers align with planning processes
 - MISO & PJM will implement RTO wide dispatch
 - SPP will rely on TSRs for transfers between LBAs and DNRs/NRs at a LBA granularity