



Joint and Common Market

INCREMENTAL AUCTION REVENUE RIGHTS

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August 27, 2019



Overview

- Purpose
 - Provide stakeholders with an update on the MISO-PJM plan for enhanced planning and markets coordination for the PJM customer funded IARR process
- Key Takeaways
 - MISO cannot guarantee FFEs based on a preliminary assessment of PJM customer funded IARRs
 - PJM stakeholders have not pursued changes to address the risk of revenue inadequacy concerning customer funded IARRs
 - PJM and MISO will enhance coordination to minimize likelihood of revenue inadequacy surrounding PJM customer funded IARRs

IARR Issue Review

- **Refresher** – Upgrades do not guarantee corresponding adjustments to Firm Flow Entitlements (FFE) due to Congestion Management Process (CMP) rules
 - PJM provided education on Appendix G of the CMP at the February 2018 JCM
- PJM believes enhanced estimation of FFE adjustments could be beneficial to stakeholders as it will provide a higher likelihood that cross border projects associated with IARRs will result in proper FFE adjustments and reduced risk of revenue inadequacy

Preliminary Transmission Upgrade Studies

- FFE adjustment estimation requires running CMP based calculations with and without proposed upgrades. This is known as a Transmission Upgrade Study (TUS)
- These proposed TUS calculations would capture differences in “historic” flowgate impacts on forward looking basis

Preliminary Transmission Upgrade Studies

- Inputs for estimating FFE adjustments
 - Topology – apply CMP mandates such as Historic Control Area definitions on RTEP case used to evaluate IARR
 - Load Forecast – planning based forecast
 - DNR/TSR Dispatch – Current CMP Generator Merit order and Historic TSR list
 - Flowgates – Current set of Reciprocally Coordinated Flowgates for which PJM coordinates. Potential future flowgates may be considered in addition.

Posted Procedure

- Preliminary TUS procedure posted on the PJM website: <https://www.pjm.com/-/media/markets-ops/energy/market-to-market/preliminary-determination-of-firm-flow-entitlements-associated-with-incremental-auction-revenue-rights.ashx?la=en>

Contacts

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