

# Clarification of MISO-PJM IPSAC Feedback – DATC

2015-07-29

## Overview

We appreciate the chance to further clarify and revise our list of important factors to the IPSAC process after seeing the initial summary as well as other stakeholder's comments. DATC still agrees with the slide below that MISO and PJM have correctly summarized.

DATC



- **Important**

- Need upfront details on developer/builder selection (presentation and discussions necessary)
- How JOA metrics are calculated should be easily replicated and capture relevant benefits
  - NLP should use generator- and load-weighted congestion components instead of RTO locational marginal prices
  - Propose a vote and relook at other options to current 70/30% adjusted production cost (APC)/net load payment (NLP) split
- A presentation clearly explaining the process and assumptions used in a joint model should be provided prior to model release and feedback
  - This should be standardized and shared with stakeholders

- **Unimportant**

- Regional planning differences are unimportant, were explained fairly well in previous round

## Updated Issues List

Below is the entire list of bulleted items that DATC thinks is important to enhancing the interregional planning process. This includes items that were already correctly accounted for by MISO and PJM.

- Reduce/remove \$20M threshold (Environmental Sector, Hunt Power, ITC, IURC, MISO Developers, Exelon, DATC)
- Reduce/remove 345 kV threshold (Environmental Sector, Hunt Power, IURC, NIPSCO, DATC)
- Upfront details on developer/builder selection from MISO (DATC, MISO Developers)
- Third party review of costs for all projects being passed to regional process (Exelon, DATC)

- Evaluate (for the purposes of cost allocation eligibility) only in regional processes (no interregional approval) (AEP, DATC, Exelon)
  - This recognizes that a project must be approved in the regional planning process by the respective region's board to be included in the regional plan (and to be eligible for cost allocation).

The following items apply for RTO project cost split or if an interregional project approval evaluation is maintained.

- Reconsider 70/30 APC/NLP split (DATC, NIPSCO)
- Use escalation of benefits beyond final study year, rather than extrapolation (NIPSCO, DATC)
  - On this point, DATC believes that how PJM performs the extrapolation in their regional process using multiple data points and the trend function is a reasonable alternative.
- Use a single model for interregional analysis (MISO Developers, Exelon, DATC)
- Develop formal model review period/process (DATC, MISO Developers, Exelon)
- Re-evaluate how speculative queue generation is included and sited (IURC, NIPSCO, Exelon, DATC)
- Clear Calculation method, explain details to stakeholders (ITCT, DATC)

If there are questions or clarifications on any of the items above, please do not hesitate to contact us.

Thank you,

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