

In response to the email from MISO on July 17, 2012, seeking feedback from stakeholders regarding MISO/PJM seams issues, Vitol Inc. wishes to submit the following comments. As is evident from the presentation (“Potential PJM/MISO Seams Initiatives”) given at the Joint and Common Market Initiative meeting on July 16, 2012, there are key areas within the Market Operations realm where immediate improvements in coordination will have a beneficial impact on efficiency of day-ahead and real-time operations at the seams. As everyone is aware, inefficient operations at the MISO/PJM seam has been identified as a contributor to negative balancing congestion values (which have contributed to FTR revenue inadequacy) in the PJM market (see PJM’s “FTR Revenue Stakeholder Report” from April 30, 2012). As such, Vitol urges both entities to focus their efforts for seams improvement in areas such as transmission operations coordination, day-ahead coordination, flowgate/constraint management, and daily operational data/information exchange between PJM and MISO. These items have been identified as high-priority items by both entities and should remain as such until they’re resolved.

We realize that there are other areas for improvement at the seams that MISO and PJM have identified, and these areas should not be ignored. However, we believe that the Market Operations items mentioned above should take precedence over longer-term planning and capacity items, as these will provide immediate and measureable benefits in helping to alleviate the negative balancing congestion values in the PJM market.

Thank you for the opportunity to provide comments.

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