

Cross Border Network Service Proposal

JCM Meeting
November 30, 2012

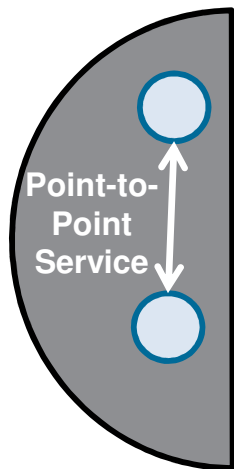
Background

- MISO reviewed the status of several issues related to capacity deliverability at the last JCM meeting
- There was a discussion related to how cross border network transmission service could work
- MISO committed to presenting a proposal for discussion on how cross border network service would work
- The proposal presented is intended to seek input from JCM stakeholders and continue the discuss from the last meeting

Transmission Service Evolution

“Pre-RTOs”

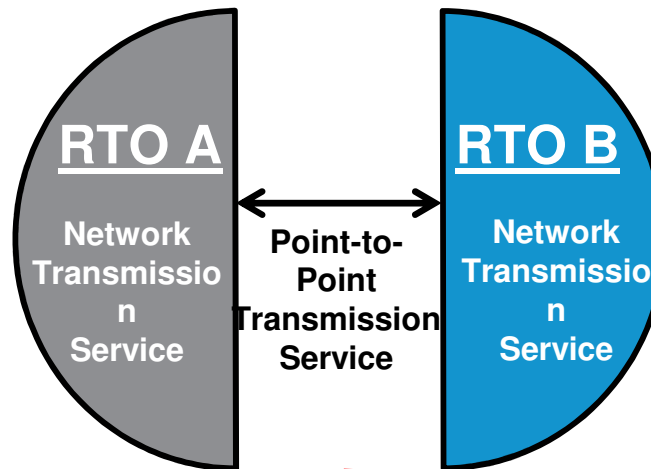
- **Between utilities** – Point to Point Service



Prior to regional transmission tariffs provided by the RTO's Point-to-Point was the only form of service available to transfer energy between utilities

“AS IS”

- **Within RTO** - Network Service
- **Between RTOs** - Point-to-point



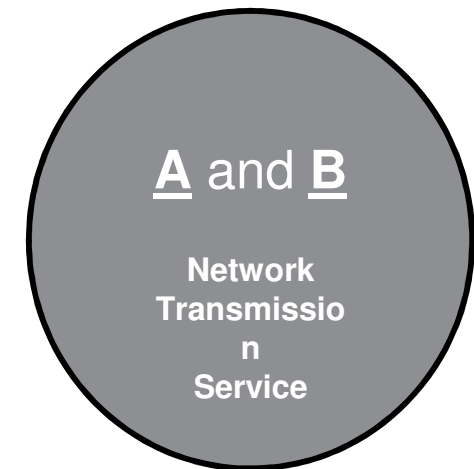
Membership Border / Seam

RTO's enable the regional transmission tariffs that extended the Network Service concept to utilities within its footprint

Point-to-Point is still the primary mechanism to reserve capacity for transmission across the RTOs

“Proposed”

- **Within RTO and Between RTOs** - Simultaneous Deliverability



Capacity deliverability proposes extending “Network Service” across the RTOs

Cross Border Transmission Service Proposal

1. Establish Resource Deliverability

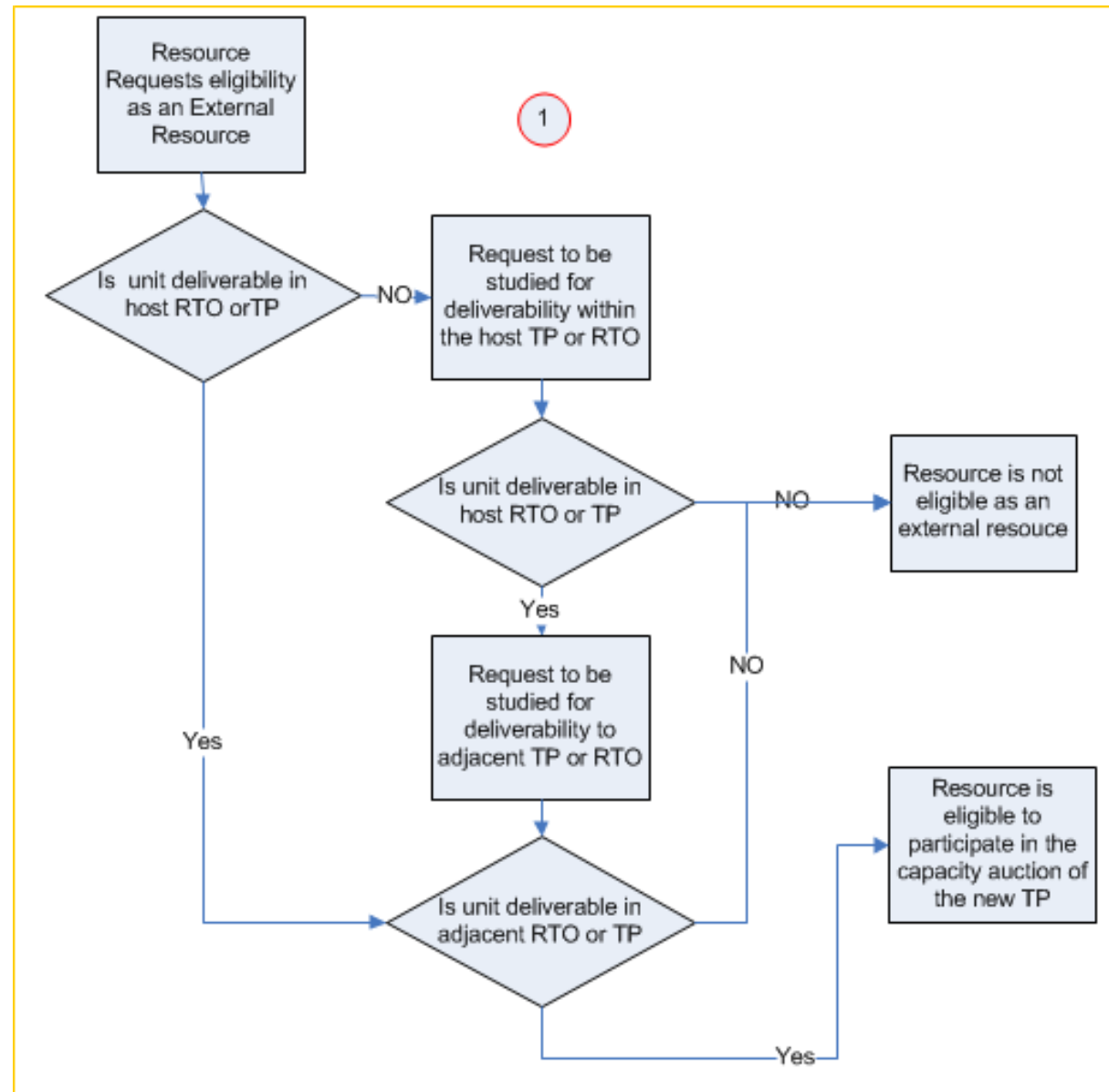
2. Determine Transfer Capability

3. Market Based Transfer Capability Allocation

4. Capacity Resource Performance Requirements

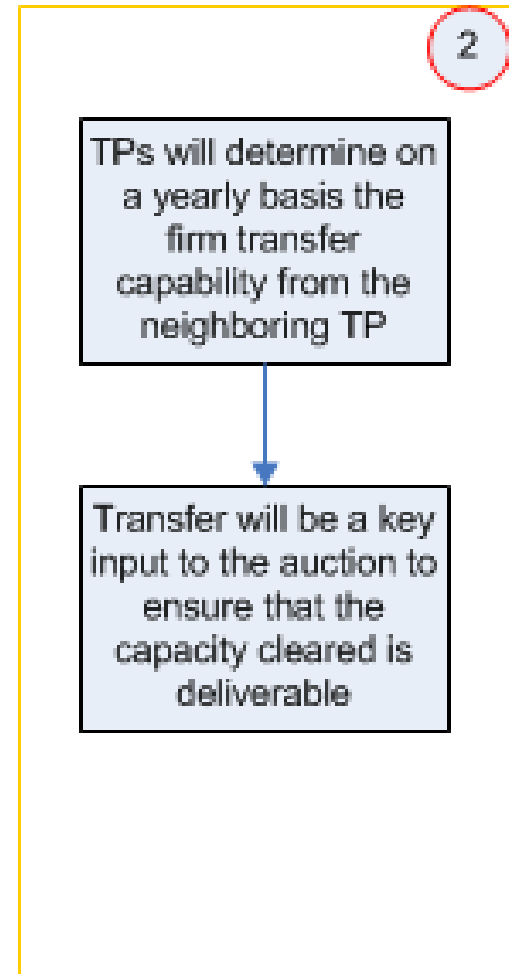
1. Establish Resource Deliverability

- Establish deliverability in host and delivery Balancing Authority Areas
- Replace existing incremental study processes with network deliverability analysis for all external resources
- Deliverability designations is a key eligibility requirement that ensures reliability



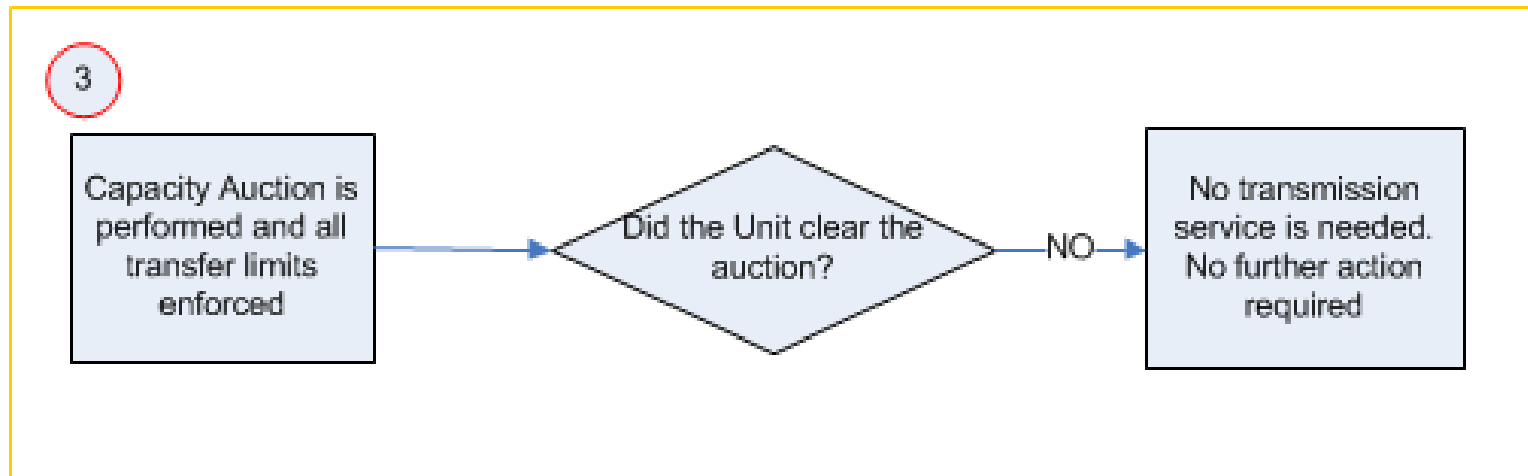
2. Determine Transfer Capability

- Transmission Providers will work with neighboring BAs to define transfer capability at each interface
- Studies will be performed on an annual basis
- Studies will follow standard methodologies for transfer
 - Ex. Simultaneous, non-simultaneous, ...



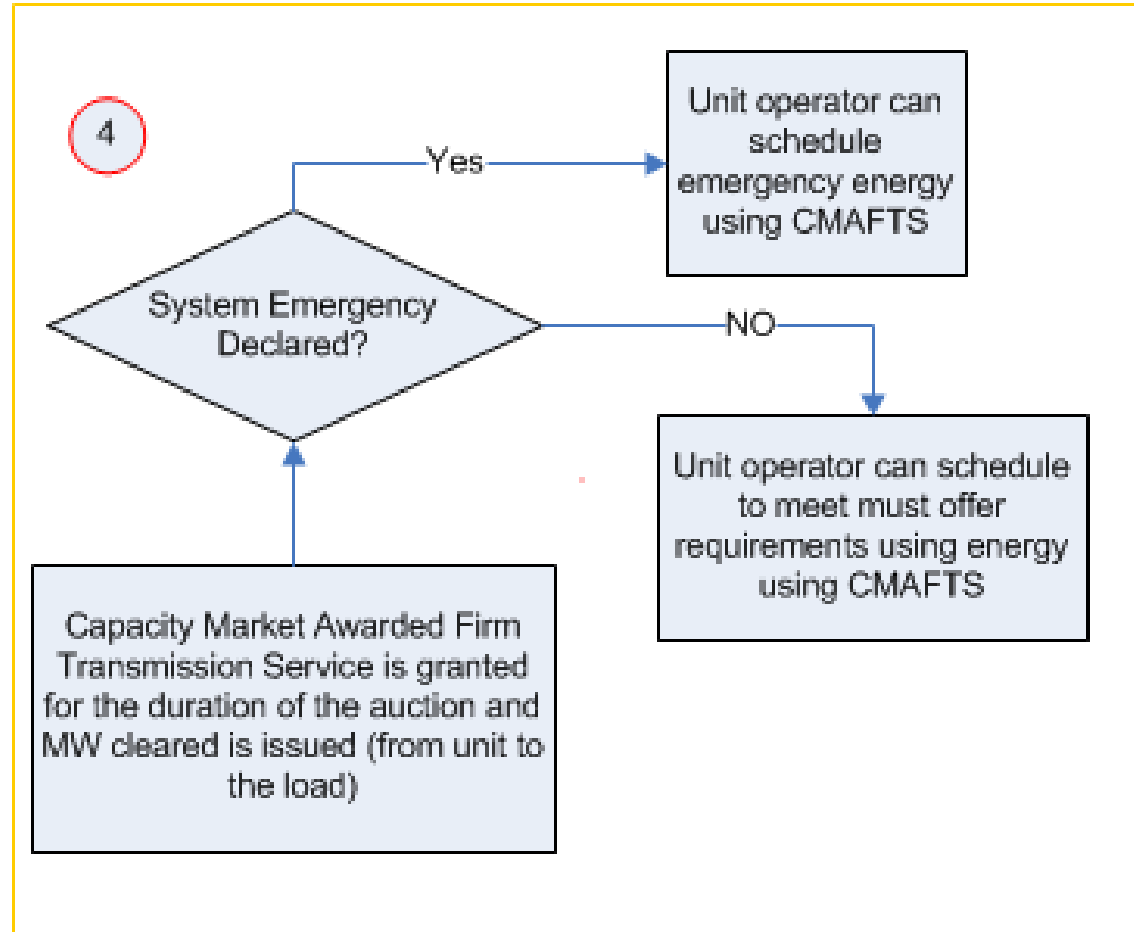
3. Market Based Transfer Capability Allocation

- Existing capacity market processes can be used to economically clear all resource offers while respecting transfer limits with external areas
- Economic units will be awarded firm transmission service

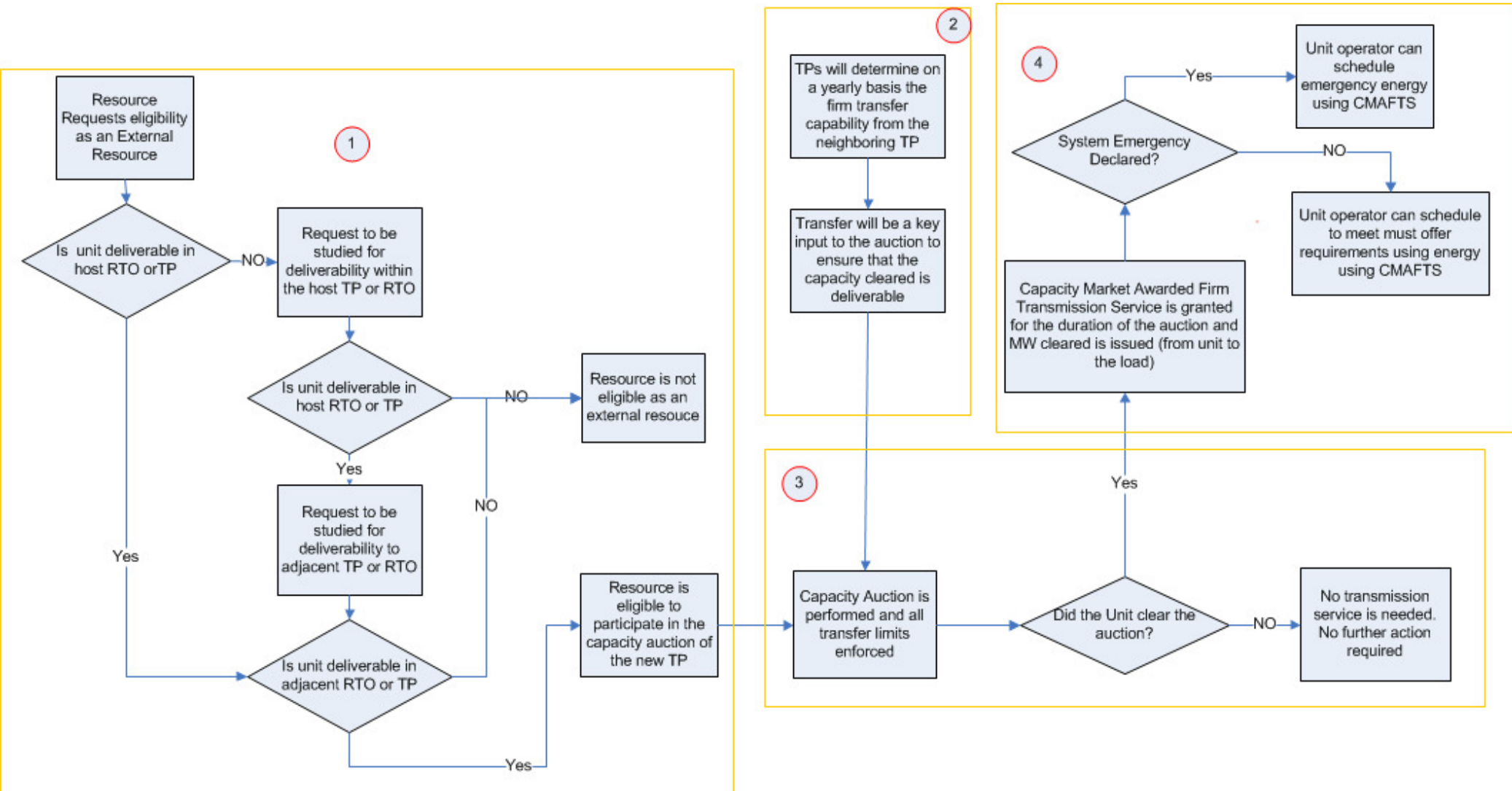


4. Capacity Resource Performance Requirements

- Capacity Market Awarded Firm Transmission Service:
 - Schedule energy to meet must offer requirements
 - Schedule emergency energy
 - Similar to treatment of NRIS resource within markets



Process Overview



Summary

- New transmission service product for offering and delivering energy from capacity resources
- Demonstrates deliverability between specific external units and load for the purpose of supplying capacity
- Meets all capacity eligibility for participation in capacity markets
- Transmission service awarded can be used to meet energy market must offer requirements and to schedule emergency energy

Next Steps

- Feedback from JCM participations on areas requiring further discussion
 - Kevin Larson – klarson@misoenergy.org
- MISO and PJM work to define transfer capability study process and interface definitions