

MISO-PJM Joint and Common Market



November 30, 2012



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Joint and Common Market

1. MUST OFFER DISCUSSION



“Must Offer” Requirement for NED Transmission Service

- At the October 26 meeting, PJM and MISO offered the following Discussion Question:
 - Should Network External Designated Transmission Service resources carry the same “must offer” requirement in PJM RPM auctions as internal resources with Capacity Interconnection Rights?
- This question was in recognition of the following characteristics of Network External Designated Service requests:
 - Cannot “redirect” the service once granted to deliver another resource without having it restudied
 - Cannot “re-sell” the service on the secondary market
 - Is free of charge and is effectively locked up once reserved
 - Once such service has been granted, the external resource becomes directly analogous to internal resources with Capacity Interconnection Rights

- Market participants commented that NED service is also utilized for Firm energy deliveries
- Participants further indicated that FERC Order 890 requires that network resource designation not preclude Firm energy delivery
- PJM is continuing discussion with internal counsel and individual stakeholders regarding:
 - The fact that PJM NED service is not part of the pro-forma Tariff
 - The interaction between Order 890 and RPM requirements
 - Whether there may be basis for differentiation between users of NED service with respect to whether a must-offer requirement would apply
 - Whether alternatives exist that could be utilized that would provide the option of Firm energy delivery, etc.
- PJM looks forward to further stakeholder input

- PJM has developed the following statistics regarding utilization of NED service:

Type:	YEARLY
Time Period:	June 2011 - Sept 2012
Number of Customers:	19
Number of Requests:	43
Number of Monthly Records*:	293
Total Reserved (MWhr):	42871228
Total Scheduled (MWhr):	19642444
Utilization Factor:	45.8%
Monthly Records Not Scheduled:	108
Percentage of Months Not Scheduled:	36.9%
Monthly MWhrs Not Scheduled**:	11158940
Percentage MWhrs Not Scheduled:	26.0%
* Transmission service requests divided into monthly records for billing.	
** No energy scheduled during the month - not even partial usage.	