

MISO-PJM Joint and Common Market



January 29, 2013

DRAFT





Joint and Common Market

1. MUST OFFER DISCUSSION

“Must Offer” Requirement for NED Transmission Service

- At the October 26, 2012 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?
 - Note: PJM/MISO were NOT suggesting that energy MUST be scheduled on Network External Designated Reservations for any minimum timeframe
- This question was in recognition of the following characteristics of Network External Designated Service requests:
 - The service cannot be “redirected” once granted to deliver another resource without having it restudied
 - The service cannot be re-sold on the secondary market
 - The service 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

- PJM has continued discussion with internal counsel and individual stakeholders regarding this topic
- These discussions have highlighted the fact that the requirements for designating a resource for the purpose of reserving Network External Designated Service are different than the requirements for qualifying a resource as a PJM Capacity Resource
- As a result of these differences, it is possible to reserve a greater MW quantity of Network External Designated service than the MW quantity for which resource could be qualified as a Capacity Resource

- PJM believes that an RPM must offer requirement could be implemented for resources designated as the source on a Network External Designated reservation
- However, the MW quantity that would be required to be offered into RPM would be the lesser of the Network External Designated service amount or the MW quantity for which the source can be qualified as Capacity in PJM
- Other issues associated with the specifics of the RPM auctions can be addressed in the PJM stakeholder process

- The following data was verbally provided at the November, 2012 JCM meeting:
 - Total MW of NEDS service reserved in PJM effective for the 15/15 Delivery Year: 5,465 MW
 - MW of external resources committed in 15/16 RPM Base Residual Auction (cleared plus FRR): 4,649 MW
 - Resulting utilization of NEDS service for Capacity Resources: 85%

- PJM also provided the following statistics regarding utilization of NED service at the November meeting:

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.	