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FirstEnergy submits the following questions and comments to MISO regarding their Cross-Border Network Service Proposal. This was presented at the 11/30/12 MISO-PJM JCM Meeting in Chicago (20121130-item-02-cross-border-network-service-proposal.pdf).

- 1) Does this proposal supersede the June 2012 MISO Capacity Deliverability Whitepaper, in whole or part, or does it correspond to all details expounded in the Whitepaper?
- 2) The Whitepaper implies that existing capacity transactions are compromised by implementation of Capacity Market Awarded Firm Transmission Service (CMAFTS) (“Network Service across the seam” in that paper’s vernacular). What about this process compromises the rights of existing transactions, making it necessary to assign Capacity Transfer Rights (CTRs) to make them whole? Would this proposal terminate and supersede existing rights? How would the cost of these CTRs be recovered?
- 3) Does implementation of CMAFTS necessitate elimination of existing and future Point-to-Point (PTP)/Network External Designated (NED) arrangements? If so, why? And why should they not be replaced with equivalent CMAFTS with roll-over rights instead?
- 4) In Slide 3, the “Proposed” example implies a simultaneous, common deliverability study. This would not make sense unless MISO/PJM were one market. Anyway, that contradicts details of the proposal in Step 1, which indicates separate deliverability studies. Which is being proposed?
- 5) Why is it necessary that a resource requesting CMAFTS first pass deliverability in its native RTO, before being evaluated for deliverability to any external RTO? Doesn’t that create a potentially iterative process?
- 6) Does this propose any change to the methods of calculating deliverability in each RTO?
- 7) Regarding the transfer limits from Step 2, as applied to deliverable external resources in the auction (Step 3), would those limits be calculated in a fashion similar to how Available Transfer Capability (ATC) and Available Flowgate Capacity (AFC) are currently defined by NERC?
- 8) Is this proposal predicated on the assumption that the neighboring RTOs will establish a common ATCID, and that the resulting ATC values of the two RTOs would be the same?
- 9) Does this presume the net AFC/ATC impact of simultaneous transfers for all CMAFTS requests that would clear the auction?
- 10) Is there no priority in allocating ATC/AFC among multiple CMAFTS requests on a constrained path, e.g., relative to their queue position?

- 11) Would CMAFTS allocated this way reserve transmission in both RTOs: export CMAFTS service in one RTO and import CMAFTS in the other. Is this correct?
- 12) In Slide 5, the last bullet asserts that “Deliverability designations is [sic] a key eligibility requirement that ensures reliability.” Would MISO agree that ensuring deliverability is but one element of ensuring reliability?
- 13) This process indicates that CMAFTS is reserved/allocated for only one year, as a consequence of the auction, and only studied once a year.
- (a) How would CMAFTS requests synchronize with the queue of other Transmission Service Requests (TSRs)?
  - (b) How are CMAFTS requests time-stamped for the queue?
  - (c) Does a queue date for CMAFTS mean anything with this process?
  - (d) If studied and allocated only once a year, would that interfere with progress of TSRs queued subsequent to these CMAFTS requests but well before the annual study?
- 14) Does this CMAFTS proposal preclude the option of submitting an independent transmission request, if desired? Consider the situation where the customer acknowledges and anticipates potential transmission system limitations, but where the customer would be willing to pay for system upgrades for a guarantee of cross-border rights (including cross-border deliverability of capacity, e.g.). Even if they exist, not every transmission constraint requires many years to resolve.)
- 15) With this proposal, is MISO acknowledging non-recallability and must-offer requirements?
- 16) If this process intends to allocate CMAFTS solely on the basis of transmission limits inherent in deliverability and auction procedures as they currently exist (i.e., without recognizing limitations inherent in the study of exporting PTP and importing NED TSRs), doesn't that necessarily: (a) eliminate CBM in consideration of CMAFTS; (b) increase Installed Reserve Margin (IRM) in the delivery RTO; (c) discriminate against PTP service requests which must respect CBM requirements?
- 17) Will the firm transmission rights embodied in CMAFTS to move energy from outside a BAA to inside a BAA require or contemplate a higher degree of coordinated energy market operation between PJM and MISO than exists today, e.g., common day-ahead dispatch? Please explain and describe that higher degree of coordinated energy market operation.
- 18) How will CBM and counter-flows be accounted for in determining transfer capabilities?
- 19) Will the implementation of CMAFTS require that PJM and MISO coordinate the timing of their respective capacity auction processes? Please explain.
- 20) Would CMAFTS be priced in a fashion to keep transmission owners whole for any lost point-to-point revenues?
- 21) On slide 7 it states that “Economic units will be awarded firm transmission service”. Using the example where a generator in MISO is a winning bidder in PJM's capacity auction, indicate just what entity (PJM or MISO or both) does the “awarding” of firm transmission service and who the customer is.

22) In prior MISO presentations (e.g., MISO's Capacity Deliverability Whitepaper dated June 2012) MISO cites a study performed to determine simultaneous & non-simultaneous transfer limits, which indicated 6000 MW of simultaneous transfer capability between MISO and PJM. What transmission models were used in that study? Why were those particular models used? How can FE obtain copies of those models, and what process shall we follow to allow our consultant to use those models?

23) What transmission models does MISO intend to use in the PJM/MISO joint study process, to determine transfer capability between MISO & PJM, as indicated on Slide 6 of MISO's CMAFTS proposal at the 11/30/12 JCM meeting? Why are you using those models? Are those models available to both MISO and PJM stakeholders, and by what process?

24) In performing coordinated MISO and PJM deliverability studies, as proposed on Slide 5, what transmission models does MISO propose to use for each RTO's deliverability analysis? Are those models available to both MISO and PJM stakeholders, and by what process?