



MEETING NOTES
MISO/PJM Joint Stakeholder Meeting
MISO, Carmel, IN
March 21, 2013
10:00 a.m. – 3:00 p.m. EDT

1. **ADMINISTRATION**

Mr. Arness provided opening remarks.

2. **ISSUE STATUS**

Mr. Advena reviewed the list of issues and the status of each using the Joint and Common Market (JCM) Stop Light Report. Stakeholders requested the addition of an extra column for priority. A request was made to align the categories in the Stop Light Report with that in the survey results. Mr. Williams reviewed the consolidated survey results developed using the results of the JCM prioritization surveys conducted by the RTOs. A request was made to have an additional refresher survey sent to all stakeholders in the near future.

Mr. Williams reviewed the 2013 Management Plan for MISO/PJM Joint Stakeholder Meetings noting the issues and topics to be covered during future JCM meetings. MISO and PJM sought additional input of items to add to this plan. A request was made to have a discussion on constraint relaxation at a future meeting. Completion of a combined survey to all stakeholders and an update on interchange optimization will be added to the management plan for May.

3. **STATE COMMISSION INVOLVEMENT AND JCM WORK GROUP UPDATE**

Chairman Montgomery and Commissioner White provided an update on the ad hoc JCM work group efforts. Stakeholder feedback from the work group discussions focusing on JCM agendas, moderating discussions, discussion format and timelines, prioritizing issues and moving proposals from the JCM to RTO processes were used to develop initial proposals and recommendations. Specific items have been incorporated in today's meeting process or will be included in future meetings. Issues held for further discussion include identification of a chair/vice chair and the need for a formal voting/polling structure. Mr. Sedoris requested that all presentations include the contact information for the subject matter experts and an acronyms page.

4. **FORWARD PROCESSES**

A. Firm Flow Entitlement (FFE) Basics

Mr. Shah provided an overview of FFE basics including what FFEs are, how FFEs are calculated and how FFEs are used. The increase in the number of flowgates used in the market-to-market (M2M) coordination process was discussed. Mr. Shah described how FFEs are used in M2M settlement calculations. Mr. Arness noted that tutorials are available on the MISO webpage explaining FFEs and market-to-market processes in further detail.

B. Application of Firm Flow Entitlements and Transmission Outages in Forward Processes

Mr. Casto reviewed the application of FFEs and transmission outages in the forward processes. Mr. Casto highlighted the inclusion of FFEs into the forward markets and also the outages, as well as, some of the operational drivers of issues observed that have helped MISO to improve in this area. MISO and PJM have been meeting on an ongoing basis to work through the issues and to



review practices. Mr. Casto highlighted the progress that has been made in the coordination between MISO and PJM during the last year in working toward a uniform process between the Day-Ahead and some of our FTR markets. Lessons learned were highlighted. FTR shortfalls were discussed. Alignment of the Day-Ahead and Real-Time markets was discussed. The high-level work plan was reviewed.

Ms. Shaw requested that improvements to FTR shortfalls be discussed at a future JCM meeting. A request was made to discuss the concept of exchanging capacity in the Day-Ahead at a future meeting. Participants requested that subcategories be created for the internal analysis improvements illustrated on slide 8 of today's presentation and provide the statuses for the categories at future JCM meetings. To the extent possible, Mr. Kruz would like MISO and PJM to report back to the JCM after one year of continued operation of improvements made detailing the quantified benefits of those improvements.

C. MISO Transmission Outage Submission Timelines

Mr. Harmon provided an update on MISO's transmission outage submission timelines. He noted that MISO continues to work with their transmission owners on outage submission timelines. Mr. Harmon will return in three months to provide an additional update.

5. CAPACITY DELIVERABILITY

Mr. Larson reviewed problem definitions and a work plan for moving forward. Stakeholder feedback was sought as to additional issues regarding short-term, medium-term and long-term proposed initiatives and thoughts on going forward. Mr. Larson noted that MISO's responses to First Energy questions regarding the Cross Border Network Service proposal are posted with today's materials. The capacity deliverability issue tracking was reviewed.

6. INTERFACE PRICING

Mr. Chatterjee presented a summary of MISO's interface pricing. He noted that while MISO is further evaluating alternatives, no alternative method seems to be obviously superior to the current interface definition. Mr. Leovy would like to see a comparison between what the interface prices are and what the actual incremental cost is. Ms. Carroll presented a summary of PJM's interface pricing calculations.

7. QUEUE COORDINATION

Mr. Turner provided a summary of the queue coordination efforts to date. He overviewed the full-year coordination timeline, a single-cycle coordination diagram and next steps. Ms. Shaw requested a side-by-side comparison of the different assumptions used by MISO and PJM in the interconnection processes. A suggestion was made for a one-stop shop at the JCM webpage for stakeholders to see what queue projects are being coordinated and in what phase of the queue process that project is in at both MISO and PJM. Mr. McGlynn noted that PJM is in the process of reviewing the draft Business Practice Manual (14.B) with their stakeholders at PJM's Planning Committee meeting.



8. **NEXT STEPS & OPEN DISCUSSION**

The next meeting will be tentatively held on May 10 and hosted by PJM. Mr. Arness reviewed the action items from today's meeting. Participants were given the opportunity for open discussion regarding Joint and Common Market topics. Ms. Elliott requested, on behalf of OMS staff, that MISO and PJM develop a transparent, well-defined process that could be presented to the JCM and implemented and utilized for future M2M resettlement issues. Mr. Kershaw requested a discussion of changing the FFEs for Phase Angle Regulating Transformers (PAR). With regards to transmission capacity transfers in the Day-Ahead, Mr. Koch requested an analysis to show binding constraints in the MISO and PJM Day-Ahead models – if constraints are binding on one side are they binding on the other, how often are they both binding or how often is one side binding and the other side is not.