

From: Steve Leovy [mailto:sleovy@wppienergy.org]
Sent: Wednesday, August 21, 2013 5:31 PM
To: Ronald Arness; Bresler@pjm.com
Cc: Dhiman Chatterjee; carror@pjm.com; Chris Advena; dpatton@potomaceconomics.com; Michael Chiasson
Subject: MISO PJM JCM Initiative -- Workplan included with Aug 23 Materials

Ron & Stu-

I note from [the posted 8/23 JCM Work Plan description](#) that MISO and PJM propose to complete JCM work related to Interface Pricing, including addressing the issue raised by MISO's IMM, by November of this year.

I would like to share with you my view that this is an very unrealistic schedule. At the last meeting, in July, it began to emerge that the MISO and PJM interface prices are not designed either to (1) individually reflect the marginal cost to an RTO of changing interchange, or (2) jointly reflect deviation from optimal joint dispatch, thus allowing for price convergence at the optimal interchange level. It is not clear that implementing Interchange Optimization – or even alignment of scheduling rules – makes sense in the absence of appropriate price signals.

I note further that this problem has important parallels to the interface-pricing issue raised by MISO's IMM – in particular, if PJM and MISO were to implement interface pricing that had the characteristics I outline above, this would eliminate the double-counting of external interface congestion that MISO's IMM says now impedes efficient scheduling of interchange transactions.

I don't believe either of these problems can be realistically resolved and handed off to the individual RTOs in two more JCM meetings, and I encourage you to extend the schedules for these two items appropriately.

Please let me know should you want to discuss further.

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From: All Stakeholder Committees SuperList [<mailto:MISOALLSL@LISTS.MISOENERGY.ORG>] **On Behalf Of** Deborah Klueber
Sent: Wednesday, August 21, 2013 3:15 PM
To: MISOALLSL@LISTS.MISOENERGY.ORG
Subject: [MISO] MISO PJM JCM Initiative Aug 23 Materials

Dear Stakeholders:

Materials for the MISO PJM Joint and Common Market (JCM) Initiative have been posted to the MISO website (www.misoenergy.org) and can be accessed by clicking on Home > View Calendar > Upcoming Events or via the following link:

<https://www.misoenergy.org/Events/Pages/JCM20130823.aspx>

Thank you.

Do not reply to this message. If you have any questions, please contact [Stakeholder Relations](#).

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MISO St. Paul

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