



PJM Position on Overcharging of Congestion in Interface Prices

PJM/MISO JCM
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January 24th, 2014

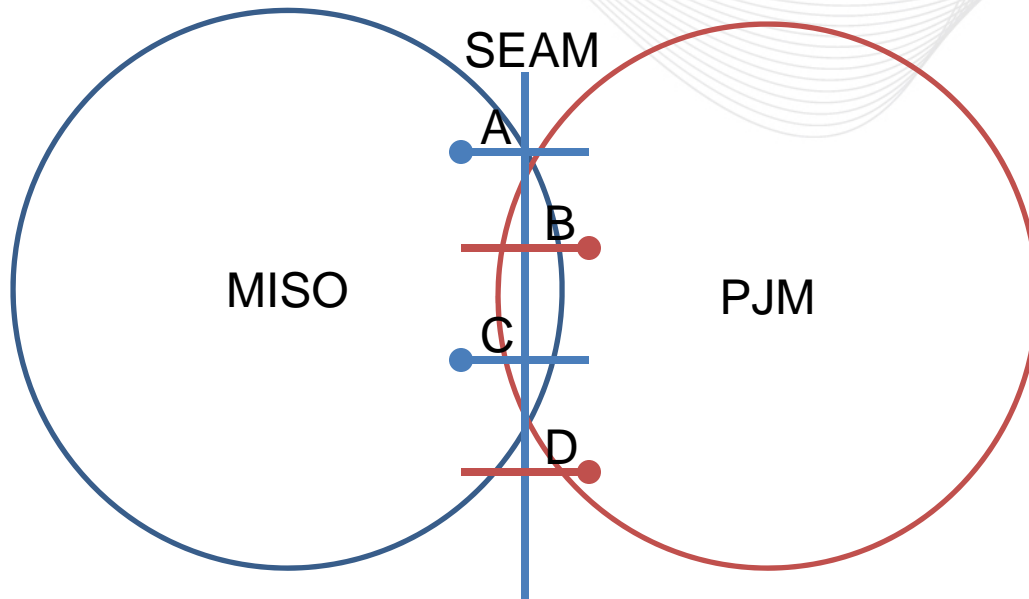


PJM/MISO Common Interface Definition

- PJM and MISO's current interface definitions may be too far into the other neighboring RTO
 - Provides correct incentive for transactions but overvalues the effect of the interchange on the coordinated congestion relief
- PJM believes a single common Interface definition will resolve overcharging of congestion for PJM/MISO transactions
 - Interface defined at the boarder
 - Both RTOs Interface definition will consist of the same generator pnodes and weightings

- MISO's PJMC interface definition and PJM's MISO interface definition will share the same generator pnodes and weightings
 - Generator pnodes will be selected based on a representative set of tie lines
 - Identify the tie lines with the greatest flow impact from transactions
 - For each tie line, the Monitoring (MRTO) and Non-Monitoring (NMRTO) RTO will be identified
 - The generator pnode will be selected on the NMRTO side of the tie line
 - ensures that the MRTO is accurately capturing the congestion for the facilities that they monitor
 - ensures that the congestion gets captured for both the M2M facilities as well as internal constraints

Single Interface Definition



A and C – PJM is the MRTTO;
generator pnode included in the
common Interface definition is
in MISO

B and D – MISO is the MRTTO;
generator pnode included in the
common interface definition is
in PJM

What about Wheel Thru Transactions?

- Transactions sourcing from IMO
 - PJM does not have any direct ties with IMO
 - *Option 1:* Replace the IMO price with either MISO or NYISO price depending on how transaction is scheduled
 - *Option 2:* Replace the IMO price with a hybrid of the MISO and NYISO prices depending on performance of the PARs
- Transactions sourcing from TVA
 - Any transaction coming in from the South wheeling through MISO will receive the MISO price

