



Joint and Common Market

III. JOA FILING FOR MARKET FLOW CALCULATOR CHANGES



Background

- In Fall 2013, MISO, PJM and SPP agreed that they need to be consistent in accounting for transaction impacts in their own calculation processes (IDC, Market Flow, Firm Flow Limit, and Firm Flow Entitlement)
 - RTOs have agreed that it is not required to use identical methodologies to capture Transaction impacts
- RTO staff collaborated to finalize the tariff (JOA) language changes for implementing consistency concept in the respective calculations and filed the changes on March 3, 2014
 - ER14-1405: PJM Filing for MISO-PJM JOA
 - ER14-1406: MISO Filing for MISO-PJM JOA and MISO-SPP JOA
 - ER14-1407: SPP Filing for MISO-SPP JOA



Key Concepts

- Market Flow: RTO flows resulting from the RTO's generation serving its market load
- Firm Flow Entitlement (FFE)/ Firm Flow Limit (FFL) : Capture the level of market flows that are deemed firm for congestion management. FFE is used in Market-to-Market settlement whereas FFL is mainly used in the Transmission Loading Relief (TLR) process
- Interchange Distribution Calculator (IDC) : Eastern Interconnect industry calculator used to administer the TLR process by capturing both Gen-to-load as well as transaction impacts

Modeling of Transactions

RTO		FFE	Market Flows	IDC
PJM	Current	Marginal Zones	Slice of System	Marginal Zones
	New	Marginal Zones	Marginal Zones	Marginal Zones
MISO	Current	POR/POD	Slice of System	Marginal Zones
	New	Marginal Zones	Marginal Zones	Marginal Zones

Extensive Stakeholder Review

- MISO
 - Seams Management Working Group
 - Available Flowgate Capacity Working Group
- PJM
 - Market Implementation Committee
- Joint & Industry Groups
 - MISO-PJM Joint Common Market
 - MISO-SPP JOA Joint Meeting
 - Congestion Management Process Working Group
 - Congestion Management Process Council
 - Interchange Distribution Calculator Working Group



Summary of JOA changes

- MISO-PJM JOA

- Consistent modeling of transactions (Section 4.1)
 - Added language regarding consistency requirement
 - Added description for methodologies to appropriately account for tagged import and export transactions in Market Flow calculations
- Determination of Marginal Zone participation factor (Appendix B of CMP)
 - Updated language to reflect RTO practice to calculate Marginal Zone participation factors
- Change Management Process
 - Added language to include methodology/calculations to account for tagged import and export transactions under Change Management Process

Next Steps

- Implementation of the changes by June 1st, 2014
 - Allow for sufficient time for software changes
 - Market Flow Calculator
 - IDC
 - Firm Flow Entitlement Calculator (webImpact)
 - Synchronized with the FTR/ARR Planning year