



Joint and Common Market

# **IV. MODELING OF ONT-ITC PARS IN MARKET FLOW CALCULATIONS AND ENTITLEMENT CALCULATIONS**

# Background

- MISO, PJM and IESO have completed an analysis of the operation of the ONT-ITC PARs through the first year of operation
  - Report available at: <http://www.miso-pjm.com/documents.aspx>
- MISO and PJM agree that modeling of ONT-ITC PARs in Market Flow calculations and Firm Flow Entitlement (FFE) calculations need to be evaluated
- At Jan 24, 2014 JCM meeting:
  - MISO recommended that the modeling of ONT-ITC PARs in the Market Flow calculations and FFE calculations should be consistent with their treatment in the Interchange Distribution Calculator (IDC)
  - PJM recommended that MISO proposal would inappropriately impact M2M settlement via the impacts on Market Flows and FFEs

# Progress to Date

- RTO staff have had discussions on potential options for changing modeling of ONT-ITC PARs in Market Flow calculations and FFE calculations
  - MISO proposed:
    - To use “Regulated” (Actual flow = Scheduled flow) or “Unregulated” (Free flowing) status (same as that in IDC) to calculate Market Flows and FFEs for M2M Settlements
  - PJM proposed:
    - To develop a process in which Market Flows on pre-identified M2M flowgates, which are impacted by Lake Erie Circulation flow (LEC), could be adjusted with the LEC impacted value
    - Further evaluation to determine if FFE calculations need to be modified
- MISO and PJM agreed to perform analysis to evaluate the options

# Next Steps

- Perform analysis to determine how to model ONT-ITC PARs in Market Flow calculations and FFE calculations
- Report Findings and Recommendations to stakeholders at the May 28, 2014 JCM meeting