



Joint and Common Market

II. MODELING OF ONT-MI PARS IN MARKET FLOW CALCULATIONS AND ENTITLEMENT CALCULATIONS



Background

- ONT-MI PARs (full set of 4 PARs) began regulating ONT-MI interface flow in July 2012
 - Since July 2012, ONT-MI PARs have been modeled using the “Regulated” and “Unregulated” status in the Interchange Distribution Calculator (IDC)
- MISO, PJM and IESO have completed an analysis of the operation of the ONT-MI PARs through the first year of operation (Aug 2012 – Aug 2013)
 - Report available at: <http://www.miso-pjm.com/documents.aspx>
- At Mar 21, 2014 JCM meeting, MISO and PJM agreed to perform analysis for modeling of PARs in Market Flow and Firm Flow Entitlement (FFE) calculations; and report findings in May 28 JCM meeting

Objective

- MISO and PJM collaborated to perform an analysis to evaluate impact of ONT-MI PARs on Market Flows and FFEs
 - MISO and PJM used different methodologies to evaluate impact of ONT-MI PARs
- This presentation will provide status update on the RTO discussions related to modeling of the ONT-MI PARs in the Market Flow and FFE calculations

Key Takeaways

- MISO and PJM have proposed different approaches to model ONT-MI PARs in the Market Flow calculations
 - The two approaches lead to similar results
- RTOs still need to discuss implementation details for changes to the Market Flow calculations
 - RTOs need to discuss application of LEC impacts in the Market Flow calculations
- RTOs agree on the approach to model ONT-MI PARs in the FFE calculations

Proposals for Market Flow calculations

- MISO Approach: Use “Regulated” (Actual flow = Scheduled flow or Fixed Flow) or “Unregulated” (Free flowing or Fixed Tap) status (same as that in IDC)
- PJM Approach: Market Flows on pre-identified M2M flowgates, which are impacted by LEC, to be adjusted with the LEC impacted value

Proposal for FFE calculations

- Both RTOs recommend using “Regulated” (Actual flow = Scheduled flow or Fixed Flow) or “Unregulated” (Free flowing or Fixed Tap) status (same as that in IDC) to calculate FFEs

Comparison of the Two Approaches*

Calculation	Description
Market Flows	<ul style="list-style-type: none">• In regulating status, calculate Market Flows by assuming ONT-MI Interface as Fixed Flow interface. PJM would like to apply adjustments for LEC impacts to pre-identified M2M flowgates (only those with >5% impacts from PARs) similar to market flow adjustments in PJM-NYISO M2M process.• In unregulated status, calculate Market Flows by assuming ONT-MI Interface as Free Flowing interface.
Firm Flow Entitlements	<ul style="list-style-type: none">• In regulating status, calculate FFEs by assuming ONT-MI Interface as Fixed Flow interface.• In unregulated status, calculate FFEs by assuming ONT-MI Interface as Free Flowing interface.

***Note:**

Agreement on the text in black

Ongoing discussions on the text in blue

Next Steps

- MISO and PJM to discuss implementation details for modeling of ONT-MI PARs in the Market Flow and FFE calculations
 - Discuss and agree on Market Flow adjustment for LEC impacts
- Inform stakeholders about the implementation plan
 - Potential changes to the MISO-PJM JOA
 - Software changes
 - Implementation date