



Joint and Common Market

V. COMMERCIAL MARKET FLOW



Background

- Commercial Market Flow (CMF) - Nodal level Market Flow calculation that includes both generation-to-load (nodal injections/withdrawals) and transaction impacts (interface injections/withdrawals)
- Market-to-market Market Flow (M2M-MF) – **Native generation-to-load impacts per MISO-PJM Joint Operating Agreement, and does not include transaction impacts**
- In 2013, PJM proposed M2M MF and FFE adopt transaction impacts complementing CMF principles (align M2M payments with balancing revenue)

Process	CMF Used?	M2M-MF Used?
FTR Market	✓	
DA Market	✓	
RT Market Settlement	✓	
M2M		✓

Status Update

- During the July JCM, RTOs mentioned that this initiative is impacted by the Interface Pricing discussion
- RTOs have reviewed the PJM report which proposes to utilize a MISO-PJM common interface approach and each RTO calculate its respective transaction impact associated with MISO-PJM transactions and include those impacts in its respective M2M market flows
- A small group has been formed and is assessing options, including PJM's CMF proposal, that will compliment ongoing interface pricing discussions.

Next Steps

- PJM and MISO will post a joint report explaining PJM's commercial market flow approach and alternative approaches
 - RTOs welcome stakeholder input
- RTOs will update any progress made to this initiative in parallel with the interface pricing discussion in the upcoming JCM sessions