



Joint and Common Market

FREEZE DATE ALTERNATIVES

AUGUST 23, 2016



Background

- Reference date of April 1, 2004, known as “Freeze date”, is used as mechanism to determine firm rights on flowgates based on pre-market firm flows.
- As we move further away from the current Freeze date (>10 years), issues with the current freeze date become prominent.
- RTOs and their stakeholders agreed that there is a need to work on Freeze date alternatives.

Overview

- Purpose
 - Provide status update and solicit feedback on Freeze Date Alternatives discussion.

- Key Takeaways
 - RTOs (SPP, MISO and PJM) continue to review alternatives with emphasis on the following priority design components:
 - Designated Network Resource eligibility – internal/external (i.e. pseudo tie) resources
 - Transmission Service Request (TSR) eligibility
 - Gen to Load impact/allocation threshold
 - Distribution of excess allocations
 - Granularity (Local Balancing Authority or RTO level)

Freeze Date for M2M: Actions to Date

Date	Action
August 2013	CMP council directed CMPWG to develop Freeze Date alternatives
September 2013	Guiding Principles presented at JCM
February 2014-January 2015	CMPWG Task Force meetings
February 2015	CMP Council advised the CMPWG to concentrate on the MISO and PJM/SPP proposals to develop compromised solution
June 2015	RTOs agreed because of complex nature of compromised solution to focus first on M2M then TLR <ul style="list-style-type: none">Results in 3 party meetings between PJM, MISO, and SPP
September 2015	Reviewed potential to leverage ARR processes
February 2016	RTOs could not agree on leveraging ARR process because of different RTO ARR constructs
February 2016 -Present	RTOs continue to meet weekly, reviewing options and solutions

Discussions Among RTOs: Priorities

Key freeze date design components that the RTOs are working on to develop a collaborative solution:

- Designated Network Resource (DNR) eligibility for internal and external (Pseudo Tie) resources
 - Today allocations primarily based on pre 2004 DNRs serving load within a generator's historic control area boundary
 - At issue - how/when to grant new (post 2004) DNRs gen to load allocations
 - ✓ DNR qualification
 - ✓ Gen to load impacts based on serving load within a historic control area or on an RTO basis
 - ✓ Gen to load impacts for external DNRs (i.e. pseudo tie resources)

Discussions Among RTOs: Priorities

Key freeze date design components (cont.)

- Transmission Service Requests (TSRs) eligibility
 - Today freeze date (2004/05) TSRs receive allocations
 - At issue - how/when to include impact of TSRs granted post 2005
- Generation to Load impact/allocation threshold
 - Today freeze date gen to load impacts are allocated on flowgates based on proportional impacts
 - At issue – continue current allocation method or change to limit allocation based on flowgate ownership or a gen to load impact threshold

Discussions Among RTOs: Priorities

Key freeze date design components (cont.)

- Distribution of excess allocations
 - Today unused flowgate capacity allocated on a proportional basis to CMP participants
 - At issue – cap flowgate allocations to actual gen to load impact with excess allocations assigned to the flowgate owner
- Granularity (LBA or RTO level)
 - Today freeze date gen to load impacts are generally allocated based on gen serving load within the gens historic control area
 - At issue - continue current allocation method or change to reflect impacts based on a gen serving the entire RTO/BA load

Tentative Timeline

- Develop agreement on addressing high priority items Sept 2016
- Develop compromise solution details 3rd Quarter 2016
 - ✓ Priority items
 - ✓ Lower priority items
 - ✓ Stakeholder review
- Tariff/CMP filing 4th Quarter 2016
 - ✓ Develop Tariff language changes
 - ✓ Stakeholder review
 - ✓ CMP council approval and FERC Filing
- Implementation June 2017

Next Steps - Freeze Date

- Continued discussions among PJM, MISO, SPP, and CMPWG
- RTOs to discuss progress at upcoming CMPC and JCM sessions

Contacts

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