

# ***JCM Initiatives Update***



**September 2008**

# Joint and Common Market Initiatives



Commercial	1	FTR Market Convergence	Alignment of FTR Timelines and Products (Note: All MISO cost)	\$600,000			Cross Border FTRs in the allocations	\$4,000,000 Analyzing
				\$3,008,657			Cross border FTRs in auctions	\$8,000,000 \$4,374,524
	2	Price Rationalization and Convergence at the Border			PJM implementation of marginal losses	\$600,000 N/A		
					Alternative Border Pricing Point Calculation	\$200,000 N/A		
	3	Reduce Hurdle Rate	Alignment of PJM Operating Reserves and MISO Revenue Sufficiency Guarantee (Note: All MISO cost)	\$600,000 \$3,764,432	Depancaking of PTP ancillary services (Control Area Services, T.O. Control Center Services, Reactive, Black Start)	\$400,000 (\$2,505,757)		
	4	Broader Price Transparency and Common Reporting	Existing MISO & PJM Websites Linking of sites Data Available at Both Sites (LMPs, Tie Flows, Loads)	\$500,000 \$1,952,165	Standard Data Exchange (Web Services) LMPs, Contingencies, Loads, Dispatch Signals, Outages, Emergency Event/Notifications	\$3,000,000 \$2,547,477	Implementation of single MISO & PJM Website (Individual Websites go away)	\$750,000 N/A
			Common Search Capabilities	\$200,000 \$1,125,000			Standard Data Visualization and Reporting Portal Create a single MISO & PJM Data and Report Portal	\$8,500,000 \$4,158,174
			Enhanced Joint Website to Host Joint meeting and Events Calendar, Joint Documents and Reports	\$600,000 \$1,125,000				
	5	Increased Market Opportunities	Moving JOUs between markets	\$100,000 \$156,851			Shared Regulation Market	\$8,000,000 Analyzing
	6	Operational Consistency	Common Long Term Transmission Queue	\$200,000 \$1,091,108	Common Time Zones (Note: All PJM cost)	\$5,000,000 N/A	Single Resource Adequacy Solution	\$8,000,000 N/A
			MISO Ramp Viewer	\$150,000 \$913,703	Central location to view both ramp viewers	\$100,000 \$1,527,405	Common Ramp Portal	\$750,000 \$2,091,108
			Alignment of OASIS Business Practices	\$500,000 \$1,365,867	Coordinated OASIS	\$1,200,000 Analyzing		
			Single OASIS	\$8,000,000 \$6,168,760	Reserve Sharing	\$8,000,000 N/A		
			Common Treatment of Dynamic Schedules/Pseudo-Ties	\$200,000 \$382,934	Market to Market Relaxation of Constraints	\$80,000 \$1,000,000		
			Investigation of Loop Flow Across the Combined Footprint	N/A Analyzing	Dynamic Dispatchable Transactions and Schedules	Analyzing Analyzing	Loop Flow Study Phase II	Analyzing Analyzing
			Market Flow Threshold Assessment	N/A Reliability	Market Flow Threshold Reported to IDC	\$300,000 Reliability	Netting in the IDC	Analyzing Analyzing
					Outage Coordination	N/A Reliability		
	7	Single Market	Year 1 - Rule Alignment & Market Portal Design	\$15,000,000 \$5,000,000	Year 2 - Initial Market Portal Implementation	\$40,000,000 \$27,000,000	Year 3-5 - Implementation of Single Market	\$50,000,000 \$34,700,000
	Reliability	1	Emergency Energy Agreement	Alignment of Agreements and Practices	\$100,000 Reliability		Super Regional Reserve Sharing	Analyzing Analyzing
2		Black Start and Restoration			Alignment of Agreements and Practices	\$500,000 \$936,000		
Plan	1	Joint Expansion Planning and Common Deliverability Studies	Joint Expansion Planning (Coordinated System Plan)	\$20,000 Reliability	Cross Border Cost Sharing of Expansions	Reliability		
	2		Common Deliverability Studies	\$100,000 Reliability				
Total	Costs 3-Year Gross Benefit		2006	\$3,770,000 \$14,885,717	2007	\$1,580,000 \$3,463,405	2008	\$750,000 \$2,091,108



# ***JCM Committed Initiatives***

# OR & RSG Alignment

## Milestone Summary

C	Analyze Product
R	Stakeholder Review
R	Develop System Requirements
R	Modify Applications
R	Conduct Testing
R	Implement Changes

**R** Overall Status

## JCM Leads

- Midwest ISO: M. Robinson
- PJM: S. Bresler

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- On August 21, 2008, the FERC issued an Order Commencing Paper Hearing regarding the allocation of RSG charges to Market Participants. Briefs were filed by Complainants on September 22, 2008, with Reply Briefs due October 10, 2008.
- PJM Members Committee endorsed package of Balancing Operating Reserves credit and allocation changes at its November meeting. The package of changes will be filed with FERC and if approved, implemented on December 1, 2008.

## UPCOMING ACTIVITIES

- Reply Briefs are due October 10, 2008, in the 206 complaint proceeding.
- The Midwest ISO RSG Task Force continues to meet monthly to review the data analysis to determine cost causation and has recommended to the MSC that the indicative tariff developed and filed before FERC on March 3, 2008, as part of the 206 filing be filed before FERC in a 205 filing, to become effective Midwest ISO tariff language .

## ISSUES & CONCERNS

- Clearly different camps in terms of causation versus predictability (unclear that we will get to common rules).

# Relaxation of Constraints

## Milestone Summary

C	Tech. Software Design Document
C	Obtain Estimates from Vendor
C	Modify Applications
Y	Conduct Testing
Y	Implement Changes

**Y** Overall Status

## JCM Leads

- Midwest ISO: T. Mallinger
- PJM: S. Bresler

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- Finalized functional specifications and detail design.
- Midwest ISO and PJM identified changes to the JOA in support of this initiative.
- FERC accepted filing on changes to the Interregional Coordination Process document on July 16, 2008.
- Software testing has begun with Midwest ISO and PJM. Completion anticipated by October 31, 2008.

## UPCOMING ACTIVITIES

- Since this project is tied to the Ancillary Services Market, the Midwest ISO, and PJM completion dates have been moved to coincide with the new January 6, 2009, launch date.
- The Midwest ISO Independent Market Monitor has recommended that relaxations be removed from all constraints. Midwest ISO to meet with PJM to discuss how this will affect Market to Market Processes.

## ISSUES & CONCERNS

- None at this time.

# Common Ramp Portal

## Milestone Summary

G	Develop scope document
G	Review scope document with stakeholders
G	Develop project plan
G	Develop code test
G	Implement Software

**G** Overall Status

## JCM Leads

- Midwest ISO: J. Marshall
- PJM: C. Advena

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- Midwest ISO and PJM agreed to high-level detail design.

## UPCOMING ACTIVITIES

- Develop detailed design.

## ISSUES & CONCERNS

- Rather than impact the launch of the Midwest ISO Ancillary Services Market, this implementation of this initiative has been pushed out to May 1, 2009.

# Black Start and Restoration

## Milestone Summary

C	Midwest ISO Technical Whitepaper
C	Determine Tariff, Regulatory, Reliability Issues
C	Obtain Midwest ISO Stakeholder Approval
C	Compare Midwest ISO & PJM Processes
C	Midwest ISO Develop Tariff Changes
C	Submit Regulatory Filings
Y	Modify Policies, Procedures, Applications, Systems
Y	Provide Training and Implement Changes

**Y** Overall Status

## JCM Leads

- Midwest ISO: E. Skiba
- PJM: C. Advena

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- On August 29, 2008, the Midwest ISO submitted its proposed revisions to the Tariff to equitably compensate facilities that enable a Generation Resource to be started during blackout conditions without the aid of an external station power source ("Blackstart Units.") In response, five entities have filed Motions to Intervene and Comments. Two entities have filed Motions to Intervene and Protests.

## UPCOMING ACTIVITIES

Midwest ISO will file answers to protests to the Blackstart Tariff revisions on or about October 6, 2008.

## ISSUES & CONCERNS



# Cross Border Cost Sharing of Expansion

## Milestone Summary

C	FERC Issues Order Reliability Cost Sharing
C	Reset Milestones
C	Compliance Filing on Reliability Cost Sharing
G	Develop Proposal for Economic Cost Sharing
G	Submit Economic Cost Sharing Proposal to FERC
G	FERC Issues Order on Economic Cost Sharing

**G** Overall Status

## JCM Leads

- Midwest ISO: E. Skiba
- PJM: S. Pincus

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- Many example projects have been reviewed in order to examine alternative benefit and allocation metrics and methods. RTOs have proposed several alternatives for metrics and allocation methods
- A survey questionnaire was provided to stakeholders and interested parties on September 24, 2008, with responses due October 10, 2008. Results will be discussed at the October 21, 2008, meeting.

## UPCOMING ACTIVITIES

- Midwest ISO/ PJM Cross Border Economic Planning Meeting October 21, 2008, at Midwest ISO.
- Compliance filing, January 28, 2009.

## ISSUES & CONCERNS

- Though there are a number of commonalities for cost sharing between the RTOs there are also significant issues that need to be resolved.



# ***JCM Further Analysis Initiatives***

# Loop Flow Study Phase II

## Milestone Summary

C	Define Scope
C	Finalize Scope
C	Develop Flowgate Analysis Approach
C	Conduct Analysis
C	Quantify Contributors
C	Identify Mitigating Actions
G	Present Findings to Stakeholders
G	Finalize Report
G	Overall Status

## JCM Lead

- Midwest ISO: T. Mallinger
- PJM: S. Williams

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- Completed analysis, quantified contributors, and identified mitigating actions.

## UPCOMING ACTIVITIES

- Present findings at the November 14, 2008, JCM Joint Stakeholder Meeting.
- Finalize Loop Flow Study Phase II Report.

## ISSUES & CONCERNS

- None at this time.

# ***JCM Hold Initiatives***

# Dynamic Dispatch. Sched./Dispatch. Trans.

## Milestone Summary



Review Analysis with Stakeholders  
Determine Next Steps



Overall Status

## JCM Leads

- Midwest ISO: T. Mallinger
- PJM: S. Bresler

## Legend



C Completed  
G On Target – No Issues  
Y Need to watch – Some Issues  
R In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- Midwest ISO and PJM have completed initial analysis on proxy bus prices. When differences occur in proxy bus prices the differences generally converged within relatively short time frames.

## UPCOMING ACTIVITIES

- RTOs are continuing analysis of border price differentials since the PJM Marginal Losses initiative was implemented.
- RTOs are conducting preliminary analysis to determine if initiative should be taken off “hold” status.

## ISSUES & CONCERNS

- None at this time.

# Shared Regulation Market

## Milestone Summary

G	Resolve CA Consolidation Issues
G	Analyze Options Shared Reg. Mkt.
G	Perform Detail Study
G	Identify Changes Policies, Procedures, applications, etc.
G	Review Results with Stakeholders
G	Go/No Go Decision

**G** Overall Status

## JCM Lead

- Midwest ISO: T. Mallinger
- PJM: S. Bresler

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

## UPCOMING ACTIVITIES

- Analysis on this initiative is dependent on Midwest ISO opening its Ancillary Services Market and then having a period of approximately six to nine months to collect data.

## ISSUES & CONCERNS

- None at this time.

# Cross Border FTRs in the Allocations

## Milestone Summary

G	Determine allocation process changes to create alignment
G	Define business rules for resolving differences
G	Perform Detail Cost/Benefit Analysis
G	Review Results with Stakeholders
G	Go/No Go Decision

**G** Overall Status

## JCM Lead

- Midwest ISO: R. Doying
- PJM: S. Bresler

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- The 2008-2010 FTR Projects Survey results were discussed at the March 4, 2008, Midwest ISO Market Subcommittee Meeting. The Cross Border FTRs in the Allocations Project was ranked as the third priority and will not be targeted for completion in 2008.

## UPCOMING ACTIVITIES

- Commencement date for this project is to be determined.

## ISSUES & CONCERNS

- None at this time.



# Coordinated OASIS

## Milestone Summary

C	Perform Analysis
C	Stakeholder Review
G	Re-evaluate Initiative based on NAESB 890 work

**G** Overall Status

## JCM Leads

- Midwest ISO: E. Skiba
- PJM: C. Advena

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

- At the June 1, 2007, JCM Joint Stakeholder meeting it was agreed to place this initiative on hold pending definition of NAESB OASIS changes resulting from FERC Order Number 890.

## UPCOMING ACTIVITIES

- NAESB 890 work plan can be found at:  
[http://www.naesb.org/weq/weq\\_order890.asp](http://www.naesb.org/weq/weq_order890.asp)

## ISSUES & CONCERNS

- NAESB FERC Order Group 5 items which includes “NAESB will develop business practice standards to facilitate coordination across multiple transmission systems” may address this initiative. Group 5 items currently scheduled for membership ratification by end of first quarter 2009.

# Netting in the IDC

## Milestone Summary

G	Conduct Analysis
G	Develop Draft Recommendation
G	Review Preliminary Recommendation with ORS
G	Conduct Detail Analysis/Cost Estimates
G	Prepare Final Recommendation to ORS
G	Present Recommendation to ORS
G	ORS Action on Recommendation

**G** Overall Status

## JCM Leads

- Midwest ISO: T. Mallinger
- PJM: J. Burlew

## Legend

C	Completed
G	On Target – No Issues
Y	Need to watch – Some Issues
R	In Jeopardy – Significant Issues

## KEY ACCOMPLISHMENTS

## UPCOMING ACTIVITIES

- Work to determine if this can be included as a component under the NAESB Annual Plan Item: “Prepare recommendation for future path for TLR in concert with NERC, which may include alternative congestion management procedures.”

## ISSUES & CONCERNS

- No issues at this time.

# ***Completed Initiatives***

# Completed Initiatives

## Committed Initiatives

- Midwest ISO Ramp Viewer
- Moving JOUs Between Markets
- Broader Price Transparency – Common Search Engine
- Broader Price Transparency – Enhanced Joint Website
- Broader Price Transparency – Link Midwest ISO PTP and PJM eData sites
- Common Long-Term Transmission Queue
- Alignment of OASIS Business Practices
- Emergency Energy Agreements – Alignment of Agreements and Practices (Decision not to proceed with initiative)
- Joint Expansion Planning (Coordinated System Plan)
- Common Deliverability Studies
- Common Treatment of Dynamic Schedules and Pseudo Ties
- PJM Marginal Losses
- Central Location to View Both Ramp Viewers
- Alignment of FTR Timelines and Products

## Require Further Analysis

- Production Cost Study
- Common Time Zones – PJM Move to EST (Decision not to proceed with initiative)
- Market Flow Threshold Assessment (Decision to move forward with 12-month field test)
- Super Regional Reserve Sharing (Decision not to proceed with this initiative)
- Investigation of Loop Flow Across the Combined Footprint Phase I
- Outage Coordination
- Alternative Border Pricing Point Calculation (Decision not to proceed based on Midwest ISO and PJM analysis of proxy bus prices)
- Market Flow Threshold Reported to the IDC