

JCM Initiatives Update



February 2007



Joint and Common Market Initiatives

Complete	Cost 3 Year Gross Benefit	Evaluation	Cost 3 Year Gross Benefit
Implementation	Cost 3 Year Gross Benefit	Not Recommended	Cost 3 Year Gross Benefit

		2006		2007		2008				
Commercial	1	FTR Market Convergence	Alignment of FTR Timelines and Products (Note: All MISO cost)	\$600,000 \$3,008,657			Cross Border FTRs in the allocations Analyzing	\$4,000,000 \$8,000,000 \$4,374,524		
	2	Price Rationalization and Convergence at the Border			PJM implementation of marginal losses N/A	\$600,000				
					Alternative Border Pricing Point Calculation Analyzing	\$200,000				
	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	\$8,500,000		
			Enhanced Joint Website to Host Joint meeting and Events Calendar, Joint Documents and Reports	\$600,000 \$1,125,000			Create a single MISO & PJM Data and Report Portal	\$4,158,174		
			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	Netting in the IDC	Analyzing Analyzing		
	Market Flow Threshold Assessment	N/A Reliability			Market Flow Threshold Reported to IDC	\$300,000 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



FTR Alignment

Milestone Summary

C	Analyze Product
C	Stakeholder Review
C	Submit Filings to FERC
G	Develop Approach Document for Vendor
G	Design and Development
G	Update Processes and Procedures
G	Build and Test
G	Cutover to Production

G Overall Status

JCM Leads

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

Legend

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

KEY ACCOMPLISHMENTS

- PJM Compliance filings on Long-Term Transmission Rights (LTTR) submitted on January 22, 2007.
- Midwest ISO Compliance filing on LTTR submitted on January 29, 2007 which included changes to align some aspects of the FTR products.
- Midwest ISO has begun discussions with vendor on software requirement changes.
- Reset milestones based on January FERC filings.

UPCOMING ACTIVITIES

- FERC approval of LTTR compliance filings.
- Midwest ISO and vendor to reach agreement on scope of system changes.
- Reset implementation timeline with the assumption that FERC will approve LTTR compliance filings.

ISSUES & CONCERNS

- None at this time.

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: E. Skiba
- PJM: S. Bresler

Legend

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

KEY ACCOMPLISHMENTS

- FERC issued Midwest ISO RSG Order on Rehearing – October 26, 2006.
- Midwest ISO submitted Compliance filings to October 26, 2006, Order on November 27, 2006, and December 26, 2006.
- Significant reductions in PJM OR and the Midwest ISO RSG charges have occurred since in November 2005.

UPCOMING ACTIVITIES

- Continued PJM Stakeholder meetings.
- Midwest ISO is anticipating a FERC Order with regards to virtual transactions by end of first quarter 2007.
- Midwest ISO will develop project plan based on requirements in the FERC Order.

ISSUES & CONCERNS

- FERC Order re: Midwest ISO RSG filing may impact timeline for RSG Task Force and subsequent filing of changes to EMT.
- Clearly different camps in terms of causation versus predictability (unclear that we will get to common rules).
- PJM is also considering changes (moving targets for both organizations) making close coordination imperative. PJM stakeholders have not been able to reach consensus on changes considered to date within the PJM process.

PJM Marginal Losses

Milestone Summary

C	Stakeholder Review
C	Complete FERC Filings
C	Develop System Requirements
C	Modify Applications
G	Conduct Testing
G	Implement Changes

G Overall Status

JCM Leads

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

Legend

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

KEY ACCOMPLISHMENTS

- November 6, 2006, FERC issued an order accepting the August 3, 2006, PJM marginal loss filing.
- PJM has begun stakeholder training sessions on marginal loss implementation.

UPCOMING ACTIVITIES

- PJM stakeholder training sessions on marginal losses will continue through March 2007.

ISSUES & CONCERNS

- No issues at this time.

Relaxation of Constraints

Milestone Summary

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

G Overall Status

KEY ACCOMPLISHMENTS

- Midwest ISO and PJM agreed to scope of initiative.
- Estimates have been provided by vendor.

UPCOMING ACTIVITIES

- Develop detailed project plan.
- Determine if initiative requires JOA and/or tariff changes, if so changes will be taken through the RTOs stakeholder processes.

JCM Leads

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

ISSUES & CONCERNS

- None at this time.

Legend

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

Central Location to View Both Ramp Viewers

Milestone Summary

G	Develop Business Requirements
G	Design Central Location & Select Appropriate Technology
G	Build and Test Central Location
G	Provide Training and Implement Changes

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

- RTO's will exchange 48 hours of Ramp information for display in each RTO's Ramp Viewer applications.
- Midwest ISO and PJM agreed to technical approach for exchanging Ramp information.

UPCOMING ACTIVITIES

- Specifics of data exchanges will be jointly defined by Midwest ISO and PJM.
- RTO's will develop more detailed estimates to implement this initiative.

ISSUES & CONCERNS

- No issues at this time.

Common Treatment Dynamic Sched./Pseudo-Ties

Milestone Summary

C	Develop System Requirements
C	Modify Applications
C	Conduct Testing
C	Implement Changes



Overall Status

JCM Leads

- Midwest ISO: E. Skiba
- PJM: M. Bryson

Legend

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

KEY ACCOMPLISHMENTS

- System changes have been moved to production (functionality has initially been disabled pending user training).

UPCOMING ACTIVITIES

- Midwest ISO to conduct training in March stakeholder meetings.
- Software is scheduled to be enabled on April 2, 2007.

ISSUES & CONCERNS

- No issues at this time.

Black Start and Restoration

Milestone Summary

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

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

- Midwest ISO Power Restoration Subcommittee has developed black start and restoration whitepaper.
- Midwest ISO Reliability Subcommittee approved whitepaper.
- Technical Whitepaper reviewed with Market Subcommittee.

UPCOMING ACTIVITIES

- Midwest ISO Market Subcommittee to approve pricing mechanism.
- Midwest ISO to develop tariff changes and take through its stakeholder process.

ISSUES & CONCERNS

- No issues at this time.

Cross Border Cost Sharing of Expansion

Milestone Summary

C	File Policy Baseline Reliability Projects
C	Order on Reliability Filing
C	Compliance Filing on Reliability Filing
C	File Extensions with FERC
C	FERC issues Order for Technical Conference
C	Conduct Technical Conference
C	File 2 nd Extension for Econ X Border Allocation
R	FERC Staff submit findings to Commission
R	FERC Issues Order
R	Continue Stakeholder discussions
R	File Policy Cross Border Alloc. Econ. Project Costs

R 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

- FERC granted indefinite extension for economic cross border cost allocation sharing compliance filing.
- January 22, 2007, the Midwest ISO and PJM filed separate Post-Technical Conference Comments.
- February 6, 2007, FERC Issued Notice of Extension of Time for the Midwest ISO and PJM to file additional comments to address cross border cost allocations for reliability projects.

UPCOMING ACTIVITIES

- Midwest ISO and PJM to file analyze potential compromise solution for allocation cost sharing for reliability projects and submit comments to FERC by March 22, 2007.

ISSUES & CONCERNS

- Cross cost allocation for reliability projects needs to be address before cross border cost allocation for economic expansions can be addressed.

JCM Further Analysis Initiatives



Market Flow Threshold Reported to IDC

Milestone Summary

C	Develop Detail Project Plan
G	Vendor Requirement Specifications
G	System Development
G	Test System Changes
G	Mock Production Run
G	Cutover to Production

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

- Obtained 12-month field test approval from NERC Standards Committee.
- Midwest ISO funding has been approved.
- IDC modifications to support this initiative have been started.
- Midwest ISO has developed implementation plan targeting late May implementation.

UPCOMING ACTIVITIES

- Develop JOA and/or tariff changes, if necessary and take through the stakeholder process.

ISSUES & CONCERNS

- Delays in vendor delivered software and testing could result in May implementation being moved to September. The IDC Working Group, ORS, and NERC Standards Committee recommended that changes not be made to the IDC between June 1, 2007, and August 31, 2007.

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

- ORS was notified the analysis will not be done in conjunction with the CMPWG.
- This initiative has been split from the Market Flow Threshold since it is on a separate path.
- Decision was made to place this initiative on hold until the market flow threshold field test is underway.

UPCOMING ACTIVITIES

ISSUES & CONCERNS

- No issues at this time.

Investigate Loop Flow Across Combined Footprint

Milestone Summary

C	Obtain Tag Data
C	Obtain Midwest ISO/PJM Market Flow Data
C	Obtain Non-Market Gen-to Load Data
C	Conduct Analysis – Tag Data
C	Conduct Analysis Market Flow Data
C	Quantify Contributors – Selected Interfaces
G	Generate Final Report – Selected Interfaces
G	Identify Next Steps

G Overall Status

JCM Leads

- Midwest ISO: T. Mallinger
- 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 have concluded preliminary analysis.
- Midwest ISO and PJM have reviewed analysis results with IESO and New York ISO per agreements with them providing tag data for analysis.

UPCOMING ACTIVITIES

- Present loop flow study findings and discuss next steps in March 2007.
- Additional on-going analysis will continue following issuance of final report with additional reporting being provided on an as needed basis.

ISSUES & CONCERNS

- No issues at this time.

Coordinated OASIS

Milestone Summary

C	Perform Analysis
C	Stakeholder Review
G	Develop Cost Benefits/Estimate
G	Conduct Internal Stakeholder Reviews
G	Review Results at Joint Stakeholder Meetings

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

- Midwest ISO and PJM have begun conceptual design for Coordinated OASIS that links reservations in both OASIS systems so that cost estimates can be developed by vendors and internal staff.
- Begun working on gathering benefit information for initiative.

UPCOMING ACTIVITIES

- Cost/benefits will be presented to Joint Stakeholders and reviewed by each RTO's stakeholders before a final decision is made to commit to this initiative.
- Midwest ISO and PJM have meeting scheduled for March 7, 2007, to define data exchange requirements for this initiative.

ISSUES & CONCERNS

- No issues at this time.

Alt. Border Pricing Point Calculation

Milestone Summary

Y	Perform Analysis
Y	Identify Changes
Y	Stakeholder Review
Y	Decision Point on Cost Benefit Analysis

Y	Overall Status
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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

- PJM and the Midwest ISO are conducting internal review of options with the intent of producing a white paper.
- PJM provided data to Midwest ISO to conduct proxy bus analysis.
- Midwest ISO is conducting analysis.

UPCOMING ACTIVITIES

- Continuing analysis of Alternative Border Pricing Point Calculation Options.

ISSUES & CONCERNS

- Initiative is on hold pending PJM Marginal Loss implementation and Relaxation of Constraints initiative.

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 completed initial analysis of PJM and Midwest ISO proxy bus prices.

UPCOMING ACTIVITIES

- RTOs to review analysis by end of March.

ISSUES & CONCERNS

- Initiative is on hold pending completion of analysis on proxy bus prices.

Super-Regional Reserve Sharing

Milestone Summary

G TBD

G Overall Status

JCM Lead

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

Legend

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

KEY ACCOMPLISHMENTS

- Reviewed approach with Joint Stakeholder on January 22, 2007.
- Presented concept to the Midwest ISO Contingency Reserve Committee (CRC), who assigned task team to develop the concept with the Midwest Contingency Reserve Sharing Group (CRSG).

UPCOMING ACTIVITIES

- Meet with the Midwest ISO CRC Task Team to determine attributes of participating in the Super Regional Reserve Sharing agreement.

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 will begin in late 2007.

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

UPCOMING ACTIVITIES

- Analysis on this initiative will begin in late 2007.

ISSUES & CONCERNS

- None 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

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)