


# Market-to-Market Update



**Joint and Common Market  
Carmel, IN  
August 25, 2005**

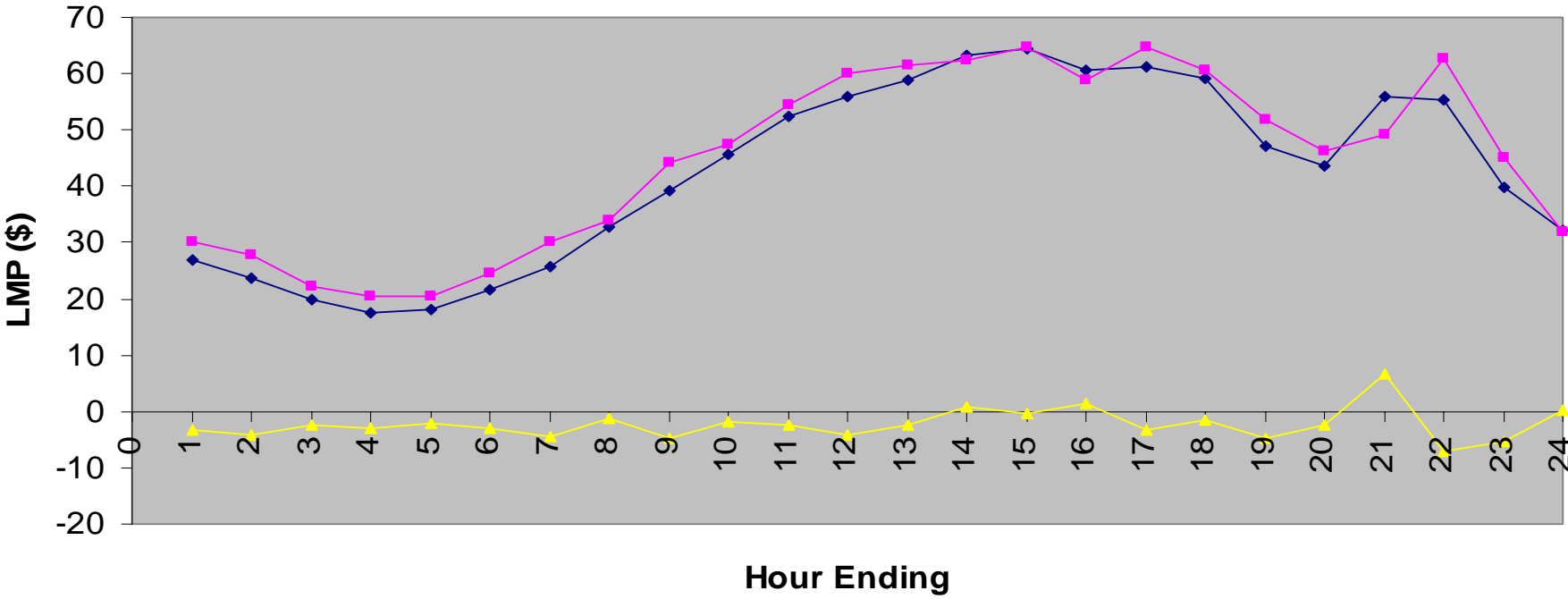


# Market-to-Market Coordination Update

- Market-to-Market Coordination continues to function efficiently.
- To date, no causes to recalculate M2M settlement have been detected.

# Proxy Bus Prices

**PJM/MISO Real-Time Proxy Prices & MW Interchange**  
Average for 4/01 - 8/07, 2005



◆ PJM's Proxy for MISO-RT

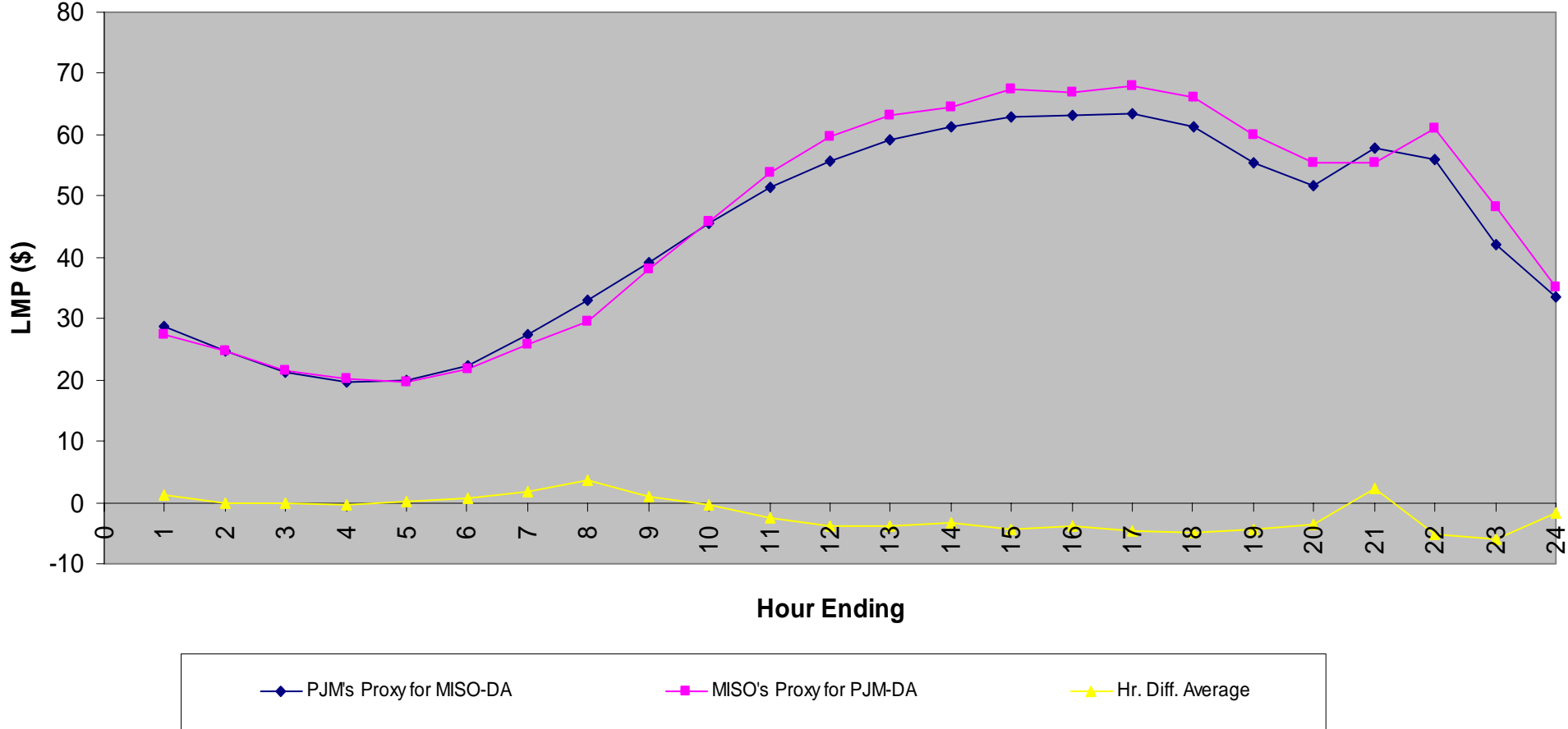
■ MISO's Proxy for PJM-RT

▲ Hr. Diff. Average-RT



# Proxy Bus Prices

PJM/MISO Day-Ahead Proxy Prices  
Average for 4/01 - 8/07, 2005



# Correlation Analysis

## PJM-MISO v. MISO-PJM Proxies Correlation

	Apr-June	April	May	June	July
<u>All Hours</u>					
DA	0.92	0.86	0.89	0.96	0.95
RT	0.73	0.63	0.75	0.75	0.76
<u>On-peak</u>					
DA	0.86	0.65	0.76	0.94	0.93
RT	0.59	0.46	0.58	0.61	0.57
<u>Off-peak</u>					
DA	0.88	0.80	0.90	0.95	0.94
RT	0.69	0.58	0.67	0.75	0.82

# Correlation Analysis

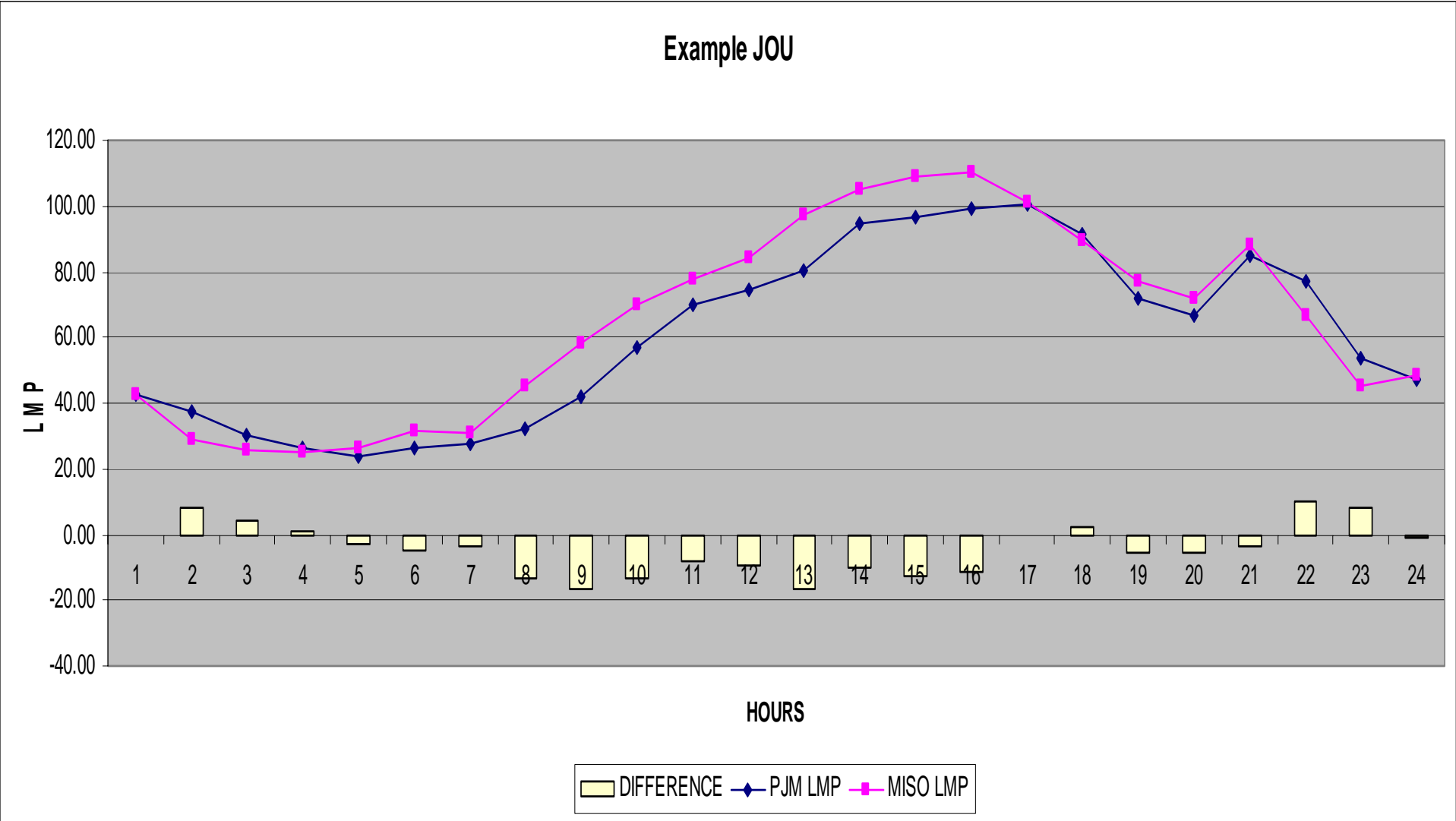
- Correlation increasing month-to-month
- Day-ahead more highly correlated than Real-time
- Off-peak more highly correlated than on-peak
- Seems to have leveled off between June and July

# Market-to-Market Coordination Update

- Net Market-to-Market settlement for July: \$3.6 Million PJM to MISO
- Settlement occurred on 21 flowgates
- 3 flowgates MISO compensated PJM, the other 18 PJM compensated MISO
- 74% of the total settlement occurred on three flowgates:
  - Dune Acres-Michigan City 138 1&2 (flo) Wilton Center-Dumont 765 (PJM to MISO)
  - PRNTY-MTSTM500/BLACKO-BEDNGT500 (MISO to PJM)
  - New London – Webster 230kV line flo Jefferson – Greentown 765kV line (PJM – MISO)

- Differences in projected market results for units at the border could be a good indication of the level of coordination achieved between the markets.
- To supplement the proxy bus price analysis, PJM and MISO have begun an analysis of price differentials at the border.
- As a representative sample, the Joint-Owned Unit buses were used.
- The average LMP difference between MISO and PJM LMP nodes for JOU units was 2.1% and the LMP\*MW difference for JOU units was 2.7% for the four weeks beginning 7/14.

# JOU LMP Prices



# JOU LMP Prices

