

JCM Initiatives Review



**Joint Stakeholder Meeting
Wilmington, DE
January 22, 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			Cross Border FTRs in the allocations	\$4,000,000 <i>Analyzing</i>	
				\$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 <i>Analyzing</i>			
	3	Reduce Hurdle Rate	Alignment of PJM Operating Reserves and MISO Revenue Sufficiency Guarantee (Note: All MISO cost)	\$600,000	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	\$500,000	Standard Data Exchange (Web Services) LMPs, Contingencies, Loads, Dispatch Signals, Outages, Emergency Event/Notifications	\$3,000,000	Implementation of single MISO & PJM Website (Individual Websites go away)	\$750,000 N/A	
			Linking of sites Data Available at Both Sites (LMPs, Tie Flows, Loads)	\$1,952,165					
			Common Search Capabilities	\$200,000				Standard Data Visualization and Reporting Portal	\$8,500,000
			Enhanced Joint Website to Host Joint meeting and Events Calendar, Joint Documents and Reports	\$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			Shared Regulation Market	\$8,000,000 <i>Analyzing</i>	
			\$156,851						
6	Operational Consistency	Common Long Term Transmission Queue	\$200,000	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	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	Coordinated OASIS	\$1,200,000 <i>Analyzing</i>				
		Single OASIS	\$8,000,000 \$6,168,760	Reserve Sharing	\$8,000,000 N/A				
		Common Treatment of Dynamic Schedules/Pseudo-Ties	\$200,000	Market to Market Relaxation of Constraints	\$80,000 \$1,000,000				
		Investigation of Loop Flow Across the Combined Footprint	N/A <i>Analyzing</i>	Dynamic Dispatchable Transactions and Schedules	<i>Analyzing</i> <i>Analyzing</i>	Netting in the IDC	<i>Analyzing</i> <i>Analyzing</i>		
		Market Flow Threshold Assessment	N/A <i>Reliability</i>	Market Flow Threshold Reported to IDC	\$300,000 <i>Reliability</i>				
		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		
7	Single Market								
Reliability	1	Emergency Energy Agreement	Alignment of Agreements and Practices	\$100,000 <i>Reliability</i>		Super Regional Reserve Sharing	<i>Analyzing</i> <i>Analyzing</i>		
	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 <i>Reliability</i>	Cross Border Cost Sharing of Expansions	<i>Reliability</i>			
	2		Common Deliverability Studies	\$100,000 <i>Reliability</i>					
Total		Costs	2006	\$3,770,000	2007	\$1,580,000	2008	\$750,000	
		3-Year Gross Benefit		\$14,885,717		\$3,463,405		\$2,091,108	



JCM Overarching Objectives

A group of initiatives that are intended to result in achievement of the following objectives have been identified in a series of stakeholder sessions:

- *Provide the highest level of inter-regional reliability.*
- *Deliver the lowest cost energy and ancillary services to load across the combined Midwest ISO and PJM regions.*
- *Plan, build and operate the combined Midwest ISO and PJM transmission facilities for maximum joint benefit across the region.*

Initiatives have been, or will be, assessed in a cost / benefit analysis and the results presented back to stakeholders for implementation decisions.

Committed Initiatives: PJM and Midwest ISO have committed to initiating the stakeholder processes and other tasks necessary for implementing these initiatives.



JCM 2006/2007 Initiatives

1) Alignment of FTR Timelines and Products

- Align Midwest ISO FTR products with PJM FTR products.
- Align Midwest ISO FTR allocation and auction timeframes with PJM FTR allocation and auction timeframes.

2) PJM Implementation of Marginal Losses

- Achieve a greater level of price convergence and rationalization at the RTO border.

3) Alignment of Operating Reserves/Revenue Sufficiency Guarantee Products

- Allocate Operating Reserves (OR) and Revenue Sufficiency Guarantee (RSG) charges similarly to reduce the hourly volatility of these charges in the Midwest ISO market.

4) Website Common Search Capabilities (Complete)

- Implement one search engine that searches both the PJM and Midwest ISO public websites.

5) Existing Midwest ISO Price Transparency Portal and PJM eData Websites – Linking of Sites (Complete)

- Link the existing PJM eData and Midwest ISO Price Transparency Portal sites together.
- Exchange a subset of data (LMP, Instantaneous Load, Tie Flows) and make available for display and download.

6) Enhanced Joint Website (Complete)

- Create one new joint website that hosts PJM and Midwest ISO common information (e.g. joint meeting and event calendars, joint documents and reports).



Committed Initiatives: PJM and Midwest ISO have committed to initiating the stakeholder processes and other tasks necessary for implementing these initiatives.



JCM 2006/2007 Initiatives (cont.)

7) Moving Joint Owned Units Between Markets (Complete)

- Allow selection of PJM or Midwest ISO Markets to sell output of certain Joint Owned Units.

8) Common Long Term Transmission Queue (Complete)

- Create a common long-term transmission queue that facilitates easier scheduling of annual, cross-border firm transmission service requests.

9) Midwest ISO Ramp Viewer (Complete)

- Provide the Midwest ISO Market Participants with the ability to view ramp.

10) Central Location to View Both Ramp Viewers

- Develop a central location where both Midwest ISO and PJM ramp viewers can be accessed.

11) Alignment of OASIS Business Practices (Complete)

- Align timing requirements between PJM and the Midwest ISO associated with transmission service requests.

12) Common Treatment of Dynamic Schedules/Pseudo Ties

- In general, participants desire the flexibility to allow their generating units to participate directly in the RTO of their primary interest, even if those units are not physically located in that RTO. Providing this flexibility means implementing dynamic schedules the same way in each RTO.

Committed Initiatives: PJM and Midwest ISO have committed to initiating the stakeholder processes and other tasks necessary for implementing these initiatives.



JCM 2006/2007 Initiatives (cont.)

13) Market to Market Relaxation of Constraints

- Further the convergence of shadow prices (under certain conditions) calculated on Reciprocal Coordinated Flowgates.

14) Black Start and Restoration - Align Agreements and Practices

- Coordinate system restoration plans and jointly evaluate critical black start resources.

15) Emergency Energy Agreement - Alignment of Agreements and Practices (No Action)

- Former Control Area Operators of PJM and Midwest ISO had emergency energy agreements in place to facilitate the sale of energy during emergency conditions. While these agreements existed prior to RTO development, Midwest ISO and PJM may not be a legal party to the agreement. Midwest ISO and PJM would need to replace these existing agreements with emergency energy agreements between the RTOs.
- **Midwest ISO decision to not move forward with this initiative.**

16) Joint Expansion Planning - Coordinated System Plan (Complete)

- Regional expansion plans will include coordinated planning to include evaluation of impacts on other RTO facilities and required facility upgrades.

17) Common Deliverability Studies (Complete)

- Generation deliverability studies will include common criteria and study to obtain results, which demonstrate if units are deliverable in both RTOs and if they are not deliverable in both RTOs what system constraints limit the deliverability.

18) Cross Border Cost Sharing of Expansions

- Cross-border allocation of cost sharing for reliability and for economic expansions.



Further Action Needed Initiatives: Certain initiatives have been identified as potential additional elements to the joint and common market; however, further evaluation of these initiatives is required to determine if they will be recommended for implementation.



JCM 2006/2007 Initiatives (cont.)

1) Alternative Border Pricing Cost-Benefit Analysis

- Perform an analysis to determine whether alternate methods for calculating RTO Interface Pricing Points would more effectively indicate the impact of RTO to RTO transactions on transmission constraints impacting both RTOs.

2) Common Time Zones – PJM Move to EST (Complete)

- Perform a cost-benefit analysis to determine the benefits Midwest ISO and PJM participants would receive from implementing the use of a common time zone across the entire footprint. Midwest ISO's systems are currently on EST. PJM currently operates on EPT. The recommendation would be to move PJM's system to EST to align with the Midwest ISO system.

3) Coordinated OASIS Cost-Benefit Analysis

- Perform a cost-benefit analysis to determine the benefits Midwest ISO and PJM participants would receive from coordinating the evaluation of short term transmission service on the RTO oasis nodes.

4) Single Market Production Cost Study (Complete)

- Perform a production cost study to determine the benefits to the participants of Midwest ISO and PJM becoming a single market.

5) Dynamic Dispatchable Transactions/Dynamic Dispatchable Schedules

- Perform a study to determine the viability of implementing dynamic dispatchable transactions or dynamic dispatchable schedules to further drive the convergence of proxy bus prices.

Further Action Needed Initiatives: Certain initiatives have been identified as potential additional elements to the joint and common market; however, further evaluation of these initiatives is required to determine if they will be recommended for implementation.



JCM 2006/2007 Initiatives (cont.)

6) Market Flow Threshold Analysis (Complete)

- Develop recommendation for the ORS on reporting a change in market flow threshold reported to the IDC to be used when assigning TLR relief obligation. The outcome of this analysis generated the Market Flow Threshold Reported to the IDC Initiative.

7) Market Flow Threshold Reported to the IDC

- The Midwest ISO and PJM will participate in a 12-month field test where the market flow threshold will be changed from down to zero percent to down to three percent for use by the IDC to request relief when a TLR is called.

8) Netting in the IDC

- Develop recommendation for the ORS on netting in the IDC.

9) Investigation of Loop Flow Across the Combined Footprint

- Analysis of loop flow impacts on the Midwest ISO and PJM Markets and Operations. The results of this initiative may create additional initiatives.

10) Super Regional Reserve Sharing

- Create a Super-Regional Reserve Sharing (SRRS) arrangement consisting of existing Reserve Sharing Groups and/or Reserve Markets that would voluntarily participation in emergency energy transactions.



Further Action Needed Initiatives: Certain initiatives have been identified as potential additional elements to the joint and common market; however, further evaluation of these initiatives is required to determine if they will be recommended for implementation.



JCM 2006/2007 Initiatives (cont.)

11) Cross Border FTRs in the Allocations

- Align the process by which FTRs/ARRs are allocated in the two markets.
Note: This analysis will be conducted in late 2007.

12) Shared Regulation Market

- A larger market operated over both RTO footprints would result in more efficient procurement of the Regulation service by the RTOs. PJM and Midwest ISO to evaluate feasibility.
Note: This analysis will be conducted in late 2007.



JCM Committed



Initiatives



FTR Alignment

Milestone Summary

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

Y Overall Status

JCM Leads

- 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

- Midwest ISO stakeholders have approved alignment of some aspects of FTR products, i.e., adoption of ARR for annual allocation and continuance of annual and monthly FTR auctions.
- September 12, 2006, Market Subcommittee approved TRTF recommendation.
- PJM received order on Long-Term Transmission Rights (LTTR) proposal on Nov 22, 2006.

UPCOMING ACTIVITIES

- Tariff changes will be bundled with Long Term Transmission Rights Order Compliance filing due January 29, 2007.
- PJM Compliance filing on LTTR is due January 22, 2007.
- Development of implementation timeline.

ISSUES & CONCERNS

- Due to FERC Order on LTTR, delay in stakeholder approval of aligning some aspects of FTR products, and Midwest ISO Legal recommendation to package these tariff changes with LTTR Compliance Filing, this initiative will be implemented in 2007.

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

KEY ACCOMPLISHMENTS

- FERC issued Midwest ISO RSG Order on Rehearing – October 26, 2006.
- Midwest ISO submitted Compliance filing 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.

JCM Leads

- 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

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.

UPCOMING ACTIVITIES

- PJM stakeholder training sessions on marginal losses will begin in February 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

Legend

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

ISSUES & CONCERNS

- None at this time.

Price Transparency – Link PTP & eData

Milestone Summary

- C** Identify Data for Display / Download
- C** Evaluate Technical Alternatives
- C** Modify System
- C** Implement Changes to Link eData & PTP
- C** Conduct Testing
- C** Complete initiative

C Overall Status

KEY ACCOMPLISHMENTS

- Tie-flow data exchange was implemented on January 19, 2007 to complete this initiative. All other exchanges were implemented in fourth quarter 2006.

UPCOMING ACTIVITIES

JCM Leads

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

ISSUES & CONCERNS

Legend

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

Common Long Term Transmission Queue

Milestone Summary

- C** Identify Differences Between Midwest ISO & PJM
- C** Develop Common LT Trans. Queue Process
- C** Determine if FERC Filing is Required
- C** Develop Business Practices and Manuals
- C** Conduct Stakeholder Reviews
- C** Roll Out Business Practices and Manuals

C 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

- JCM Initiative was completed on December 28, 2006. Process was incorporated in the Midwest ISO and PJM Study Manuals. Process will continue to be refined in the future.

UPCOMING ACTIVITIES

- PJM Manual and Business practice updates.

ISSUES & CONCERNS

Alignment of OASIS Business Practices

Milestone Summary

C	Analyze Midwest ISO & PJM Business Practices
C	Stakeholder Review
C	Develop Tariff Language Changes
C	Stakeholder Review – Tariff Language
C	Develop Business Practices
C	Stakeholder Review – Business Practices
C	Develop System Requirements
C	Modify Applications
C	Conduct Testing
C	Implement Changes

C 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

- System changes to coordinate timing requirements were implemented on December 19, 2006.

UPCOMING ACTIVITIES

ISSUES & CONCERNS

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 staffs have met to discuss requirements for this initiative.

UPCOMING ACTIVITIES

- Present conceptual design to stakeholders

ISSUES & CONCERNS

- No issues at this time.

Common Treatment Dynamic Sched./Pseudo-Ties

Milestone Summary

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

Y Overall Status

KEY ACCOMPLISHMENTS

- Midwest ISO requested vendor to include additional displays.
- On January 5, 2006, FERC approved the Midwest ISO ARC filing subject to certain modifications to be made in a 30-day compliance filing. ARC filing software changes are included in the same release as the Common Treatment of Dynamic Schedules and Pseudo Ties.

UPCOMING ACTIVITIES

- Midwest ISO to receive patch to software that provides additional displays for operators.
- Complete user acceptance testing.

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

ISSUES & CONCERNS

- Release includes software for Midwest ISO ARC FERC filing.
- User Acceptance Testing identified need for software patches prior to implementation.

Black Start and Restoration

Milestone Summary

- G** Compare Midwest ISO/PJM Processes
- G** Identify Tariff, Regulatory, Reliability Issues
- G** Obtain Stakeholder Approval to Proceed
- G** Make Regulatory Filings
- G** Modify Policies, Procedures, Applications, etc.
- 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.

UPCOMING ACTIVITIES

- Midwest ISO to develop tariff changes and take through its stakeholder process.

ISSUES & CONCERNS

- No issues at this time.

Emergency Energy – Align Agreements & Practices

Milestone Summary

C	Identify Agreements to be Replaced
C	Doc. Legal, Regulatory, Corp. Structure Issues
R	Draft Tariff Changes
R	Review Tariff Changes with Tariff WG
R	Review Tariff Changes with Market Sub-Comm.
R	Review Tariff Changes with Advisory Comm.
R	Make Appropriate Regulatory Filings
R	Draft New Emergency Energy Agreements
R	Implement New Emergency Energy Agreements

R 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

- The Midwest ISO stakeholder determined they did not want the Midwest ISO to enter into Emergency Energy Agreements with PJM.
- The initiative is being moved to a “No Further Action Required Initiative.”
- A new initiative for a Super-Regional Reserve Sharing approach has been created.

UPCOMING ACTIVITIES

ISSUES & CONCERNS

Joint Expansion Planning (Coordinated System Plan)

Milestone Summary

- C** Develop Common Model
- C** Initial Analysis
- C** Stakeholder Appr. Interim Results (IPSAC)
- C** Complete Analysis & Prelim. Report
- C** Stakeholder Input on Draft Report (IPSAC)
- C** Complete & Publish CSP Report

C Overall Status

KEY ACCOMPLISHMENTS

- Report was published and posted to the Midwest ISO and PJM websites the week of December 19, 2006.

UPCOMING ACTIVITIES

JCM Leads

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

ISSUES & CONCERNS

Legend

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

Common Deliverability Studies

Milestone Summary

- C** Complete Initial Analysis in CSP
- C** Initial Analysis
- C** Stakeholder Appr. Interim Results (IPSAC)
- C** Complete Analysis & Prelim. Report
- C** Stakeholder Input on Draft Report (IPSAC)
- C** Identification of Common Deliverability Impacts on System

C Overall Status

KEY ACCOMPLISHMENTS

- Report was published and posted on the Midwest ISO and PJM websites the week of December 19, 2006.

UPCOMING ACTIVITIES

JCM Leads

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

ISSUES & CONCERNS

Legend

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

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

- September 21, 2006, FERC issued order for technical conference call to discuss cross-border cost allocation sharing.
- FERC granted indefinite extension for economic cross border cost allocation sharing compliance filing.

UPCOMING ACTIVITIES

- Milestones for this project will need to be reset based on the Technical Conference ordered by FERC.
- Comments due January 22, 2007, on reliability cross border cost allocation sharing.
- FERC Staff to report results of Technical Conference.

ISSUES & CONCERNS

- Additional activities ordered by FERC on September 21, 2006, will impact completing this initiative.
- FERC staff has 150 days from September 21, 2006, to report to the Commission on information developed from the Technical Conference.

JCM Further Analysis

Initiatives



Market Flow Threshold Assessment

Milestone Summary

C	Conduct Analysis
C	Develop Draft Recommendation
C	Review Recommendation with CMPWG
C	Review Recommendation with CMPC
C	Finalize Recommendation to ORS
C	Present Recommendation to ORS
C	ORS Action on Recommendation
C	Submit SAR to NERC
C	Obtain NERC Approval for Field Test

C 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

- December 14, 2006, the NERC Standards Committee approved a 12-month field test to change the market flow threshold used to assign relief when a TLR is called.
- New initiative to implement field test (Market Flow Threshold Reported to the IDC) has been created.

UPCOMING ACTIVITIES

ISSUES & CONCERNS



Market Flow Threshold Reported to IDC

Milestone Summary

G Develop Detail Project Plan

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.

UPCOMING ACTIVITIES

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

ISSUES & CONCERNS

- None at this time.

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

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

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

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
G	Conduct Analysis – Tag Data
G	Conduct Analysis Market Flow Data
G	Conduct Additional Analysis
G	Report Loop Flow Study Findings to Stakeholders

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 exchanged tag data.
- IESO, TVA, and NYISO tag data received from OATI.
- Obtained market flow data for Midwest ISO and PJM.
- PJM created single interface pricing point for Southeast and Southwest transactions effective October 1, 2006.

UPCOMING ACTIVITIES

- Determine whether non-market gen-to-load data is available from OATI.
- Quantify contributors to loop flows on selected interfaces (MECS-PJM, NY-PJM, and Michigan-Ontario) by February 28, 2007.
- Selected flowgates experiencing market-to-market congestion will also be analyzed as part of this study.
- 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

- Y** Perform Analysis
- G** Stakeholder Review
- G** Decision Point on Implementing Initiative

G Overall Status

KEY ACCOMPLISHMENTS

- PJM and Midwest ISO met on October 25 and 31, 2006, and agreed to scope of Options 1 (manual) and Option 2 (some automation)
- Process flows and system interface coordination points have been identified.

UPCOMING ACTIVITIES

- Present options and recommendation to stakeholders for comments and decision to move forward with initiative.

JCM Leads

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

ISSUES & CONCERNS

- No issues at this time.

Legend

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

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

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.

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

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



Completed

On Target – No Issues

Need to watch – Some Issues

In Jeopardy – Significant Issues

KEY ACCOMPLISHMENTS

UPCOMING ACTIVITIES

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

UPCOMING ACTIVITIES

- Review approach with Joint Stakeholders at January 2007 JCM Meeting.

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)

