*PJM and MISO Response to Potomac Economics Observations on M2M Coordination*

In November of 2017, Potomac Economics notified the PJM-MISO Joint Stakeholder Group and subsequently the MISO board of two potential violations in the PJM-MISO JOA. In particular, the MISO IMM claimed the following:

1. PJM has not implemented a key test (Study 1) under the JOA to identify new M2M constraints, which the IMM believes is a tariff violation (see the CMP Section 3.2.1). This test identifies constraints affected by the neighbor’s generators based on real-time system topology – hence, constraints affected by transmission outages were not properly evaluated.
2. For TLR purposes, PJM calculation of the relief provided by its market re-dispatch from PJM generators below the 5% OATI IDC cutoff has been incorrect since 2009.

PJM and MISO have coordinated an analysis to investigate these claims and what impacts may have been associated with them. The result of the analysis confirmed that there was minimal and/or undeterminable impact as described below. Additionally, both issues have been resolved.

Study 1Test

Based on after the fact analysis, only two potential flowgates requested by MISO for testing *may* have qualified under the Study 1 test that did not qualify under the Study 2 thru Study 4 tests. System conditions that represent the two potential flowgates cannot be fully duplicated and therefore the actual impacts, if any, of these two flowgates cannot be confirmed. However, the estimated PJM impact was minimal[[1]](#footnote-1). Therefore, because of the minimal impact, PJM and MISO consider this investigation closed at this time. Additionally, PJM does not believe any JOA violations occurred.

TLR Market Flow Relief Obligation

PJM investigated and found an incorrect line of code resulted in under-reporting of available market flow to the IDC under TLR-3b only events. PJM submitted a self-report to FERC for this event as the issue violated Section 5.5 of the Congestion Management Process (CMP) agreement, which is part of the PJM/MISO JOA. PJM is also conducting an internal Apparent Cause Analysis (ACA) for the event in order to determine root causes, develop recommendations, and implement process updates designed to help avoid a reoccurrence in the future. PJM and MISO believe that these occurrences are limited to TLR-3b events only, and their potential market impacts cannot be retroactively determined. Importantly, system operations aligned with prices. Additionally, the CMP/JOA does not provide guidance on resettlement opportunities related to TLR activities.

1. Potential JOA settlement impacts associated with these flowgates was less than $100,000 [↑](#footnote-ref-1)