

**FERC Technical Conference
Docket No. ER13-1864-000**

**Session 2:
Day-Ahead Firm Flow
Entitlement Exchange Process
Deferral**

9/22/2014

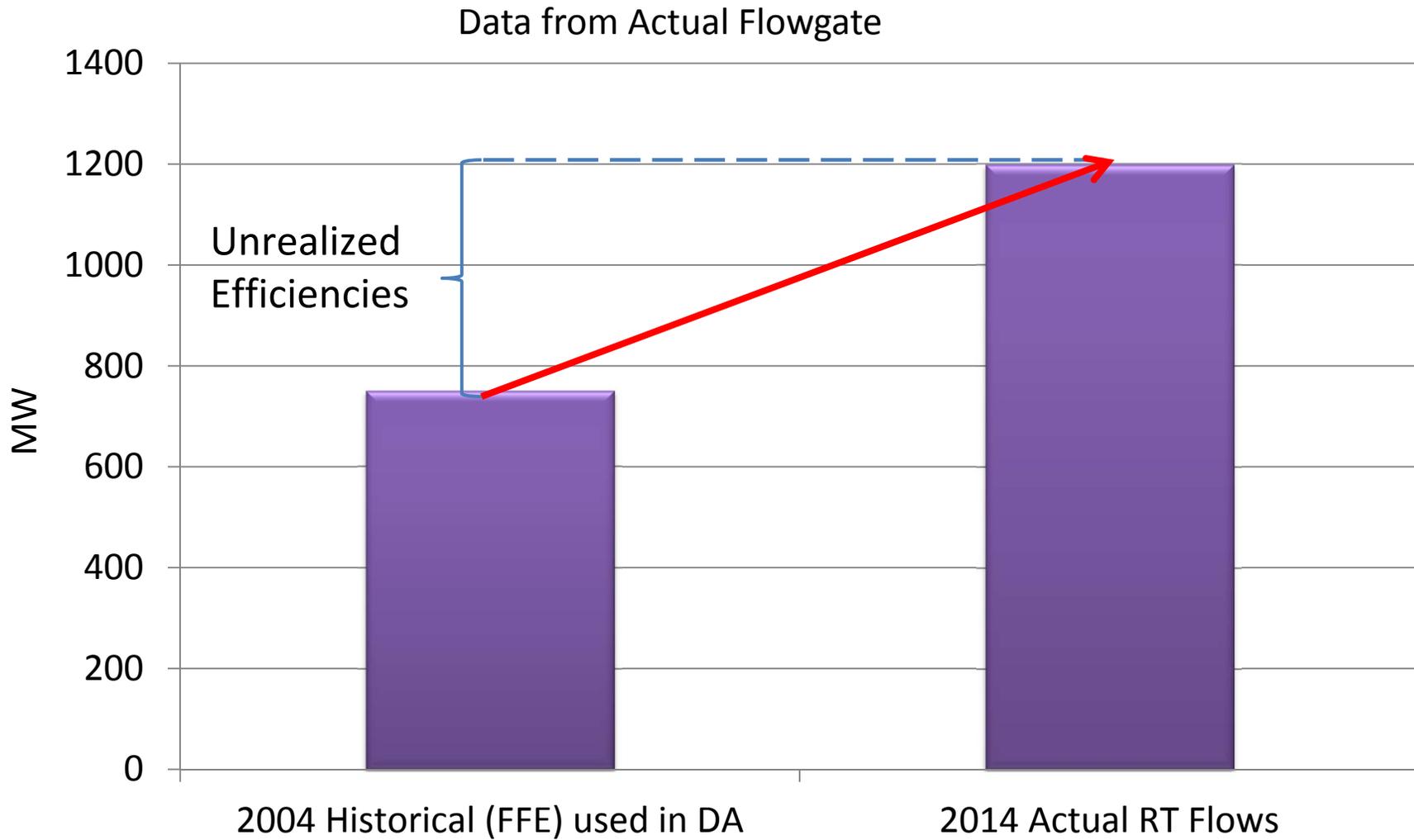
Deferral of the Day-Ahead Firm Flow Entitlement Exchange

- The current MISO-PJM Joint Operating Agreement (JOA) provides a mechanism to exchange Firm Flow Entitlements (FFE) on Market-to-Market (M2M) flowgates on a Day-ahead basis, although to date it has never been utilized with PJM
- MISO is comfortable deferring the implementation of this provision on the SPP seam until more M2M operational experience is attained
- MISO is working with PJM as part of the Joint & Common Market initiative to implement processes that would build the foundation to utilize this provision in the near future.
 - Successful implementation of such process could later be evaluated for the SPP seam

Value of Day-Ahead Market Coordination

- **Currently provides a basis for coordination prior to the operating day**
 - Reliability
 - Congestion Management Process (CMP) provides a coordinated allocation
 - Ensures that transmission facilities are not oversubscribed between RTOs
 - Impacts commitment of majority of resources used in operations
- **Adding DA Market Firm Flow Entitlement Exchange**
 - Increases economic efficiency and market transparency
 - Provides enhanced structure for market Revenue Adequacy (Financial Transmission Rights, Day-Ahead and Real-Time)

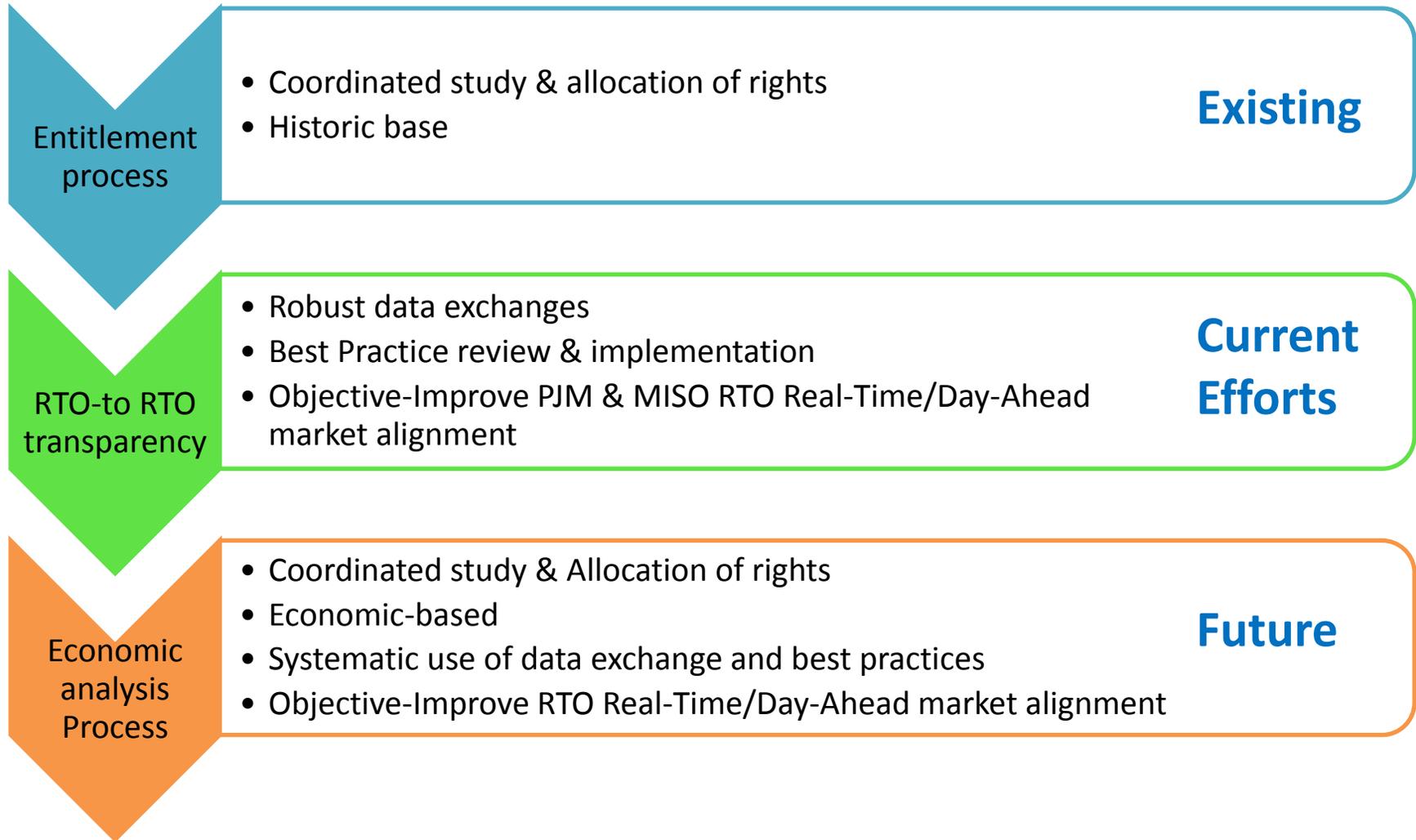
Day-Ahead Firm Flow Entitlement Exchange Benefits



Day-Ahead FFE Exchange – Issues & Limitations

- **Implementation difficulties**
 - Timing differences between RTOs' Day-Ahead Markets
 - Day-ahead processes currently have limited capabilities to support the designed FFE exchange envisioned in the JOA
 - Robust data exchange for audit and traceability
 - Supporting study criteria / flowgate exchange
 - Overhead, complexity of data, & multiple RTO solutions

Day-Ahead Market Coordination Progression



Key Takeaways

- Day-ahead FFE Exchange process is a valuable process that should not stand in the way of implementing M2M by March 1, 2015 and starting to realize benefits for the load across both RTOs
- MISO is comfortable deferring the implementation of this provision on the SPP seam until more M2M operational experience is attained
- MISO is working with PJM as part of the Joint & Common Market initiative to implement processes that would build the foundation to utilize this provision in the near future.
 - Successful implementation of such process could later be evaluated for the SPP seam

A large, stylized sunburst graphic composed of numerous light gray triangular segments radiating from a central point. The segments are arranged in a semi-circular pattern, with some pointing towards the center and others pointing outwards. The overall effect is that of a rising sun or a fan of rays.

Questions
