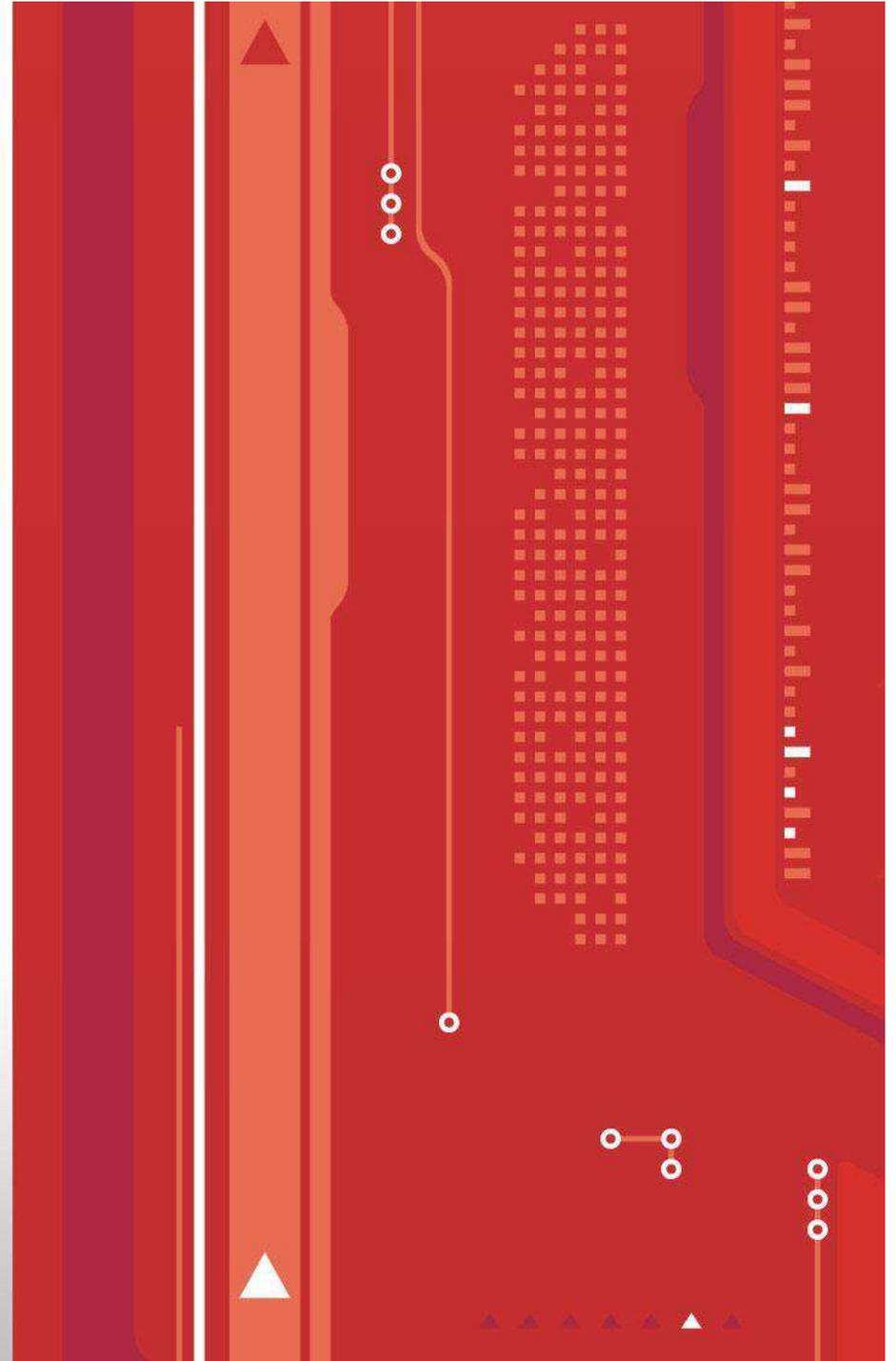


# M2M Flowgate Coordination

## FERC Technical Conference

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David Kelley  
Director, Interregional Relations





# **EFFECTS OF OUTAGE COORDINATION ON MARKET-TO-MARKET**



## **Section 3.1 (13.)**

**M2M Flowgates should not be permitted to be added outside of mutually agreed-upon scheduling timeframes except in extreme, extenuating circumstances or unless the RTO requesting the additional flowgate is willing to compensate the other RTO for any redispatch provided for that flowgate.**



# Effects of Outage Coordination

- Ineffective outage coordination may result in unnecessary Market-to-Market events and increased congestion costs for both RTO's customers
- Planned outages near SPP/MISO seam can cause temporary flowgates to be Market-to-Market flowgates
- Increased outage coordination between SPP & MISO may improve system conditions if overlapping outages are recognized and modified to minimize overlap
  - Should result in reducing the number of temporary Market-to-Market flowgates and related avoidable congestion costs



# Outage Coordination and Market-to-Market

- SPP believes it is important to coordinate when scheduling outages that may impact Market-to-Market settlements
  - MISO/SPP should not have authority to deny planned outages on the other party's system
- SPP members should not be forced to pay for avoidable congestion costs caused by the other RTO's outage scheduling practices
  - SPP's concern is with “planned” or “opportunity” outages – not forced outages
  - Requiring the other RTO to pay for avoidable congestion costs does not incent behavior to improve outage coordination and decreases Transmission Operator notification lead time

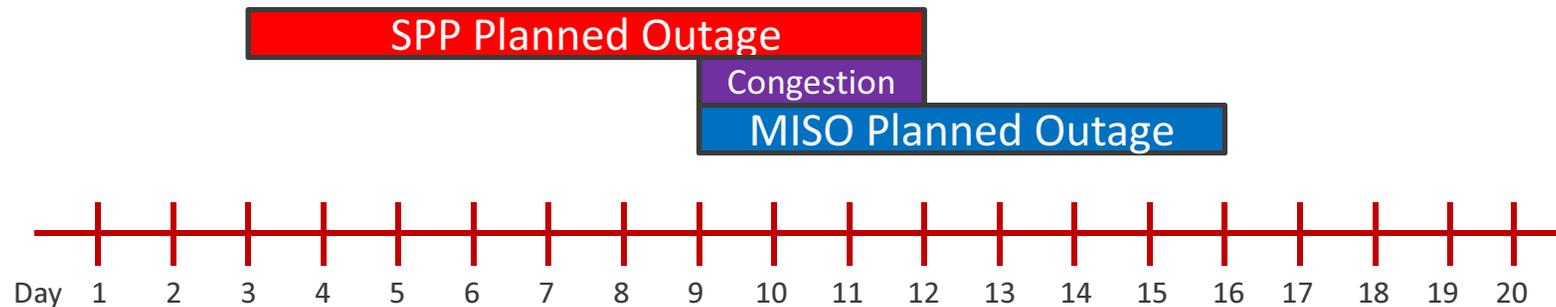


Helping our members work together  
to keep the lights on... today  
and in the future



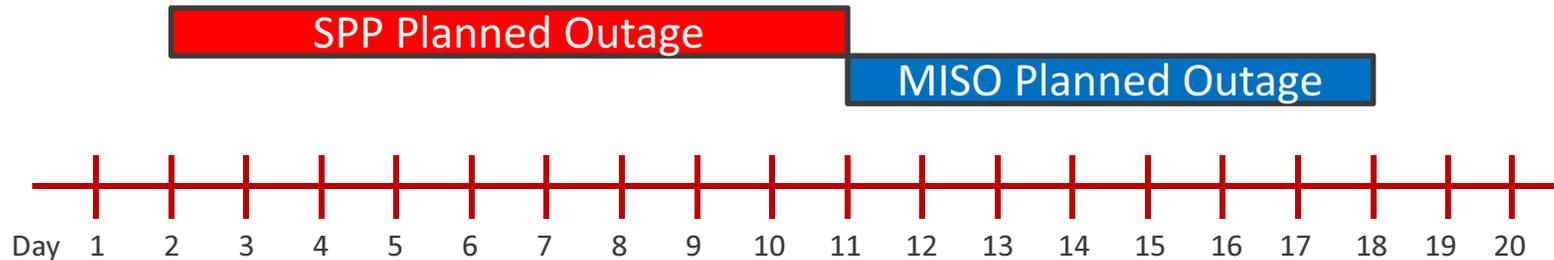
# APPENDIX

## Example 1: Congestion Due to Overlapping Outages



- **Overlapping outages requires a temporary Market-to-Market flowgate to be created**
- **Market to Market event occurs during overlap time, resulting in congestion costs to SPP or MISO members**
  - **Congestion costs possibly could have been avoided if outages were planned and coordinated to not overlap**

## Example 2: Outages Coordinated; No Congestion



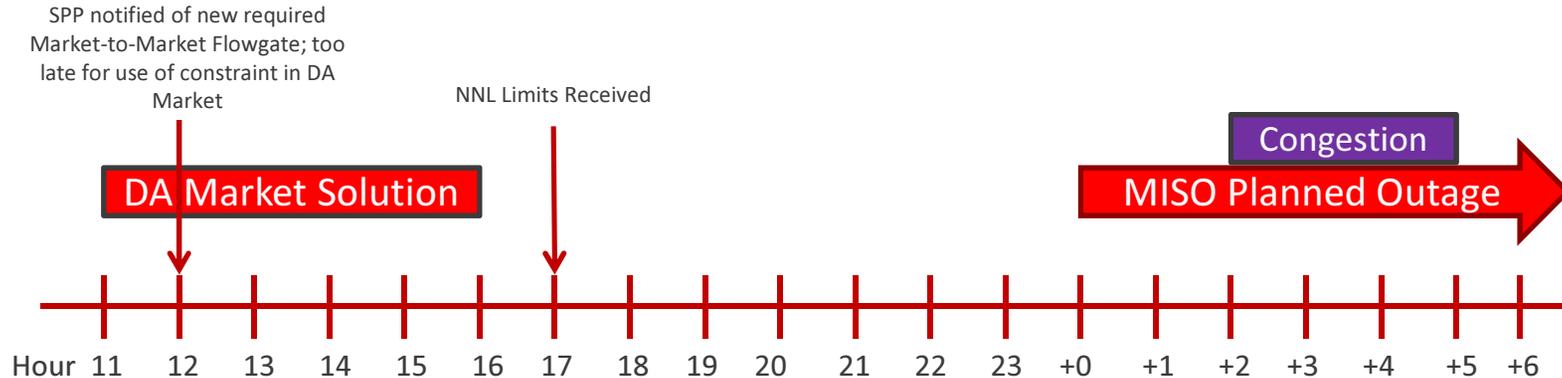
- **Original overlapping outages shifted to no longer overlap**
- **Flowgate no longer needed, therefore no congestion costs are incurred by either RTO**



## Temporary Flowgate Timing in Market-to-Market

- For outages that require creation of new temporary Market-to-Market flowgates, sufficient advance notice should be given
- If a new temporary Market-to-Market flowgate is not coordinated in time for its DA FFE value to be used in the Day-Ahead Market case, and the flowgate goes into Market-to-Market event the next day, there will be a disconnect between the Day Ahead Market prices and the Real Time prices
- This issue also manifests in outages and flowgates not being coordinated in time for recognition in TCR/FTR modeling resulting in funding issues

## Example: Late Market to Market Flowgate Creation



- If the new Market-to-Market flowgate is not identified before the DA Market solution begins, the flowgate will not be included in the economic DA solution
- In real time the next day, Market-to-Market event occurs and causes a disconnect between DA Market prices and Real-Time prices resulting in increased production costs
- Increased lead time for the new flowgate notification could mitigate this situation and eliminate the increased production costs