



MISO-SPP Market-to-Market Process: Day-Ahead Coordination

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Day Ahead Coordination

- The MISO-PJM JOA includes provisions that enable (but do not obligate) both RTOs to share M2M flowgate capability in the Day-Ahead in the most cost-effective manner.
 - ✓ The RTOs have never implemented these provisions. We have recommended the RTOs develop tools and procedures to facilitate cost-effective sharing of capability.
 - ✓ Over the last two years, PJM and MISO have been evaluating the costs and benefits of developing coordination tools and procedures.
- ✓ Such coordination can lead to more efficient day-ahead market outcomes (including commitments) when it causes the day-ahead results to be better aligned with real-time conditions.
- The SPP JOA does not include a comparable provision to optionally coordinate (share) flowgate capability (FFE) in the Day-Ahead.



Day Ahead Coordination - Benefits

- Coordination of FFEs in the Day-Ahead may produce significant efficiency gains whenever:
 - ✓ The M2M constraint binds in either Day-Ahead market and the constraint is not close to binding in real-time.
 - ✓ In the day ahead, one RTO can commit (or decommit) resources, or redispatch resources, at costs less than the costs of controlling to the FFE in the other RTOs.
- The additional communication and data exchange, will produce additional coordination benefits even if the provision is rarely utilized.
- In the short-term, MISO, PJM, and SPP could consider manual procedures to capture low-hanging fruit today, before deciding to implement more automated processes over the long-term.
- Hence, we recommend restoring this provision from the MISO-PJM JOA because it provides a potentially valuable option that could allow coordination both in the short-term and in the long-term.