

152 FERC ¶ 61,107  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

PJM Interconnection, L.L.C.

Docket Nos. ER15-1874-000

Midcontinent Independent System Operator, Inc.

ER15-1890-000

ORDER ACCEPTING REVISIONS TO JOINT OPERATING AGREEMENT

(Issued August 4, 2015)

1. On June 5, 2015, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and Part 35 of the Commission's regulations,<sup>2</sup> PJM Interconnection, L.L.C. (PJM), in Docket No. ER15-1874-000, and Midcontinent Independent System Operator, Inc. (MISO), in Docket No. ER15-1890-000, (collectively, regional transmission organizations (RTOs)) submitted proposed revisions to the market-to-market procedures in section 1.1 of Attachment 3 (Interregional Coordination Process) of the Joint Operating Agreement (JOA)<sup>3</sup> between MISO and PJM.<sup>4</sup> The RTOs propose, among other things, to increase the percentage of market flows necessary to qualify as a Total Flow Market-to-Market

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. pt. 35 (2014).

<sup>3</sup> The existing JOA was executed December 31, 2003 and accepted by the Commission in an order issued on March 19, 2004. *See Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 106 FERC ¶ 61,251 (2004).

<sup>4</sup> PJM June 5, 2015 filing, Docket No. ER15-1874-000 (PJM Filing), and MISO June 5, 2015 filing, Docket No. ER15-1890-000 (MISO Filing) (together, June 5 Filings). Appendix A to this order lists the tariff sections filed by the RTOs.

Flowgate<sup>5</sup> from 25 percent to 35 percent for flowgates with voltages of 138 kV and below. In this order, we accept the June 5 Filings, effective August 4, 2015.

## **I. Background**

2. The JOA, among other things, provides for coordinated congestion management over a number of PJM/MISO flowgates. The JOA contains the processes the RTOs use to establish agreed-upon flowgates for which they will monitor congestion and jointly dispatch their systems when the flowgates are constrained and either party initiates the market-to-market process (Market-to-Market Flowgates). To be designated as a Market-to-Market Flowgate under section 1.1 of the Interregional Coordination Process, a facility must demonstrate that it is significantly impacted by generation in both markets such that both RTOs' economic redispatch solutions can relieve congestion on the facility (i.e., both parties can operate to relieve congestion on the flowgate). Currently, only a subset of all transmission constraints that exist in both markets will require coordinated congestion management. Section 1.1 of the Interregional Coordination Process imposes a limitation on Market-to-Market Flowgates that are significantly impacted by at least one generator in the adjacent market. That is, the list of Market-to-Market Flowgates will be limited only to flowgates for which at least one generator in the adjacent market has a significant generation-to-load distribution factor of five percent or greater with respect to serving load in that adjacent market.<sup>6</sup>

3. However, section 1.1.3 of the Interregional Coordination Process provides an exception to this rule. Under section 1.1.3, where the adjacent market does not have a generator with a significant impact on a single-monitored element flowgate (i.e., the shift factor is less than five percent) but its market flows are a significant portion of the total flow on the flowgate (i.e., greater than 25 percent of the flowgate rating), these transmission constraints (known as "Total Flow Market-to-Market Flowgates") will be

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<sup>5</sup> A flowgate is defined under the JOA as "a representative modeling of facilities or groups of facilities that may act as significant constraint points on the regional system." See JOA at Attachment 3, § 1. For purposes of this proceeding, the RTOs define "Total Flow Market-to-Market Flowgates" as those flowgates "where the adjacent market does not have a generator with a significant impact on a single-monitored element flowgate (i.e., the shift factor is less than 5 percent) but its market flows are a significant portion of the total flow on the flowgate (i.e., greater than 25 percent of the flowgate rating)," as will be discussed below. PJM Filing, Transmittal Letter at 2; MISO Filing, Transmittal Letter at 2.

<sup>6</sup> PJM Filing, Transmittal Letter at 2; MISO Filing, Transmittal Letter at 2.

included in the list of Market-to-Market Flowgates subject to market-to-market coordination.<sup>7</sup>

## II. June 5 Filings

4. The RTOs maintain that their operating experience has shown that, under the existing criteria in section 1.1.3 of the Interregional Coordination Process, the non-monitoring RTO<sup>8</sup> cannot efficiently control market flows on Total Flow Market-to-Market Flowgates with voltages of 138 and below. Consequently, the RTOs have proposed to increase the threshold percentage of market flows which qualifies flowgates with voltages of 138 kV and below for Total Flow Market-to-Market Flowgate status from 25 percent to 35 percent. According to the RTOs, “a 35 percent market flow threshold criteria for flowgates with a voltage of 138kV and below would likely remove those flowgates on which the non-monitoring RTO has a low impact (i.e., a low total amount of market flows) and, therefore, cannot efficiently control its market flows. This, in turn, helps ensure that the non-monitoring RTO has sufficient generation under its dispatch to efficiently control market flows on all Total Flow Market-to-Market Flowgates, including those with lower voltages.”<sup>9</sup>

5. In addition, the RTOs maintain that the actual market flows for the non-monitoring RTO on lower voltage flowgates are very small compared to the higher-voltage flowgates (i.e., the higher-voltage facilities have higher ratings and, therefore, the amount of total flow must be higher to trigger the 25 percent threshold). Moreover, the non-monitoring RTO by definition does not control any generator that impacts Total Flow Market-to-Market Flowgates by at least five percent.<sup>10</sup>

6. The RTOs also propose to capitalize all references in Attachment 3 to the defined term “Market Flow” because there are numerous instances where the term is not capitalized due to administrative oversight. To ensure consistency, the RTOs propose to

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<sup>7</sup> PJM Filing, Transmittal Letter at 2; MISO Filing, Transmittal Letter at 2.

<sup>8</sup> See JOA at Appendix A: Definitions where the non-monitoring RTO is defined as the RTO that does not have the primary responsibility for monitoring and control of a specified Market-to-Market Flowgate, but does have generation that impacts that Flowgate, and the monitoring RTO is defined as the RTO that has the primary responsibility for monitoring and control of a specified Market-to-Market Flowgate.

<sup>9</sup> PJM Filing, Transmittal Letter at 5; MISO Filing, Transmittal Letter at 4.

<sup>10</sup> PJM Filing, Transmittal Letter at 3; MISO Filing, Transmittal Letter at 2.

revise each instance of “market flow” to read “Market Flow.” The RTOs request an effective date of August 4, 2015.

### **III. Notice of Filing and Responsive Pleadings**

7. Notice of PJM’s filing in Docket No. ER15-1874-000 was published in the *Federal Register*, 80 Fed. Reg. 33,515 (2015), with interventions and protests due on or before June 26, 2015. A notice of intervention was filed by the Indiana Utility Regulatory Commission. Timely motions to intervene were filed by Wisconsin Electric Power Company, E.ON Climate & Renewables North America, LLC, EDF Renewable Energy, Inc., EDP Renewables North America LLC, Dominion Resources Services, Inc., MISO, and NRG Companies.<sup>11</sup> Wabash Valley Power Association, Inc. (Wabash Valley) filed an out-of-time motion to intervene. Northern Indiana Public Service Company (NIPSCO) filed a motion to intervene and protest. The Generator Group<sup>12</sup> filed a protest and motion for technical conference.

8. Notice of MISO’s filing in Docket No. ER15-1890-000 was published in the *Federal Register*, 80 Fed. Reg. 33,512 (2015), with interventions and protests due on or before June 26, 2015. A notice of intervention was filed by the Indiana Utility Regulatory Commission. Timely motions to intervene were filed by Wabash Valley Power Association, Inc., E.ON Climate & Renewables North America, LLC, EDF Renewable Energy, Inc., EDP Renewables North America LLC, American Municipal Power, Inc., PJM and NRG Companies. NIPSCO filed a motion to intervene and protest. The Generator Group filed a protest and motion for technical conference.

9. On July 13, 2015, the RTOs filed an answer in Docket Nos. ER15-1874-000 and ER15-1890-000.

#### **A. Protests and Comments**

10. NIPSCO argues that the RTOs have offered no support for the proposed changes and have failed to show that the proposed revisions to section 1.1.3 of the Interregional Coordination Process are just and reasonable and not unduly discriminatory or preferential. NIPSCO asserts that the RTOs’ “operating experience” is the sole basis for

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<sup>11</sup> For purposes of the June 5 Filings, the NRG Companies are: NRG Power Marketing LLC and GenOn Energy Management, LLC.

<sup>12</sup> For purposes of the June 5 Filings, the Generator Group includes: EDP Renewables North America LLC, E.ON Climate & Renewables North America, LLC and Hoosier Wind Project, LLC (subsidiary of EDF Renewable Energy, Inc.).

concluding that a 35 percent threshold would allow the non-monitoring RTO to have sufficient generation under its dispatch to control market flows more efficiently. NIPSCO also states that the RTOs provided no support to show that there are problems with generation dispatch or efficient control of market flows or that the proposed revisions will resolve such problems in an equitable manner. In addition to an absence of support, NIPSCO expresses concern with the lack of meaningful communication with the Joint and Common Stakeholders Group or other opportunity to evaluate the RTOs' proposal before the June 5 Filings.<sup>13</sup>

11. NIPSCO disagrees with the RTOs' assertion that market flows on lower-voltage transmission facilities are somewhat less impactful. According to NIPSCO, while it may be logical to assume that market flows on lower-voltage flowgates are smaller compared to market flows on higher-voltage flowgates, the ratings on these lower-voltage facilities are also smaller compared to the ratings of higher-voltage facilities. Moreover, NIPSCO asserts that the RTOs have provided no analysis to show the cumulative impact of market flows on lower-voltage flowgates versus higher-voltage flowgates. NIPSCO states that market-to-market redispatch only occurs when one RTO exceeds its firm flow entitlement for a particular flowgate and argues that the proposed changes represent a reallocation of costs for exceeding that entitlement. NIPSCO contends that the proposed changes represent a change in policy – to “charge the non-monitoring RTO for the redispatch costs caused by its overuse of a seams facility if its market flow on a Market-to-Market Flowgate is above 35 [percent] of the total flowgate rating”<sup>14</sup> – and that this policy produces less equitable impacts on customers than the previous 25 percent market flow threshold.<sup>15</sup>

12. Similar to NIPSCO, the Generator Group argues that the RTOs have not provided any substantive evidence in support of their proposal and requests that the Commission either deny the June 5 Filings, without prejudice, or direct Commission staff to convene a technical conference to address Market-to-Market Flowgate management and definitions and identification of congested transmission constraints. The Generator Group argues that the RTOs' proposed JOA revisions are premature in light of the comprehensive review the Commission has directed and is currently undertaking regarding the Joint and

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<sup>13</sup> NIPSCO Protest at 3, 5.

<sup>14</sup> *Id.* at 5.

<sup>15</sup> *Id.* at 3-5.

Common Market (JCM) and other issues at the seam between PJM and MISO.<sup>16</sup> The Generator Group contends that the proposed revisions' impact on the issues identified by the Commission's comprehensive review must be reviewed and understood prior to Commission acceptance. In addition, the Generator Group argues that increasing the threshold to 35 percent is contrary to the direction of and issues being addressed in the complaint filed in Docket No. EL13-88-000 associated with alleviating the chronic congestion on the PJM-MISO seam because this increase will prevent certain flowgates from being identified for congestion management.<sup>17</sup> The Generator Group asserts that the RTOs have recently decided to upgrade many of these flowgate facilities known as "quick hits" (many of which are rated 138 kV and below)<sup>18</sup> and it was because of the 25 percent standard that these facilities were being identified for upgrade in order to relieve congestion and provide benefits for consumers.<sup>19</sup> Further, the Generator Group maintains that it is highly unlikely that the congestion will be addressed at all on these lower voltage facilities in MISO absent further Commission action given that in MISO, a transmission project must be at least 345 kV in order to qualify as a market efficiency project.<sup>20</sup> As such, the Generator Group argues that the 25 percent market flow standard should remain in the JOA and apply to all voltage facilities.<sup>21</sup> In the alternative, the Generator Group states that if the Commission accepts the June 5 Filings and does not order a technical conference, then the Commission should conditionally accept the June 5

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<sup>16</sup> Generator Group Protest at 6 (citing *Coordination Across the Midcontinent Independent System Operator, Inc./PJM Interconnection, L.L.C. Seam*, 150 FERC ¶ 61,132 (2015)).

<sup>17</sup> *Id.* at 2-3 (citing *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,248 (2014)).

<sup>18</sup> PJM and MISO developed a "quick hit" study, which consists of near-term upgrades to remedy recent, historical interregional congestion issues. These projects are intended to relieve known market-to-market issues, are to be completed in a relatively short time-frame, have a quick payback on investment, and are not greenfield projects. Notice of Request for Comments, Docket No. EL13-88-000, at n.3 (issued July 15, 2015).

<sup>19</sup> Generator Group Protest at 4.

<sup>20</sup> *Id.* at 5.

<sup>21</sup> *Id.* at 6.

Filings subject to a hearing so the validity of the RTOs' claims and the broader market impacts can be assessed and substantiated.<sup>22</sup>

**B. RTOs' Answer**

13. The RTOs argue that the Commission should accept the revisions proposed to the JOA and reject the protests filed by NIPSCO and the Generator Group for several reasons. First, the RTOs assert that they have satisfied the statutory requirements under section 205 of the FPA, and NIPSCO and the Generator Group have failed to support their argument that the RTOs' proposed revisions are not just and reasonable. According to the RTOs, they have not proposed a new method, but have instead proposed revisions to the JOA to ensure the Total Flow Market-to-Market Flowgates will be efficiently dispatched in accordance with other provisions of the JOA. The RTOs add that their filing also complies with Part 35 of the Commission's regulations and that, because their filing is not a rate increase, it is not procedurally subject to the requirements of 18 C.F.R. § 35.13(a) which pertain to rate increases.<sup>23</sup>

14. The RTOs explain that, of the approximately 373 Market-to-Market Flowgates, the revisions proposed by the RTOs would mean that only four of those flowgates would no longer qualify as Market-to-Market Flowgates. The RTOs state that PJM gathered data for one of these four flowgates for two periods during which the flowgate was bound: January 17, 2014, and February 21, 2014. According to the RTOs, this flowgate was bound for 25 five-minute intervals on January 17, 2014, and, due to insufficient generation in the PJM region impacting this flowgate, PJM (which is the non-monitoring RTO for this flowgate) could not efficiently control the constraint for 19 of the 25 five-minute intervals the constraint was binding. Similarly, the RTOs state that on February 21, 2014, PJM could not efficiently control this flowgate for 31 of the 44 five-minute intervals the constraint was binding.<sup>24</sup>

15. The RTOs state that they do not have generation that significantly impacts Total Flow Market-to-Market Flowgates with lower voltages where the market flow threshold for determining these flowgates is set at 25 percent of the flowgate rating. The RTOs argue that, as a result, PJM is unable to jointly manage such flowgates, given the particular topology of the MISO and PJM systems at various points in the seam.

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<sup>22</sup> *Id.* at 11-12.

<sup>23</sup> RTO Answer at 2-4.

<sup>24</sup> *Id.* at 4.

According to the RTOs, their proposed remedy (i.e., increasing the market flow threshold to 35 percent) resolves this issue.<sup>25</sup>

16. Second, the RTOs argue that the Generator Group's arguments regarding both the identification of flowgates that require joint upgrades and "quick hit" projects are outside the scope of this proceeding. According to the RTOs, their proposed revisions are unrelated to the planning issues being addressed as described above<sup>26</sup> because the market-to-market coordination process at issue in this proceeding does not focus on planning issues. The RTOs explain that they can continue to study congestion and potential upgrades for any flowgate for planning purposes regardless of whether a flowgate is designated as a Market-to-Market Flowgate. Further, the RTOs assert that under their proposed revisions, all flowgates on the "quick hit" list will continue to be Market-to-Market Flowgates and remain on the "quick hit" list. The RTOs observe that only 23 out of the 373 Market-to-Market Flowgates (noted above) are currently low-voltage Total Flow Market-to-Market Flowgates, and of those 23 flowgates, only four (none of which are on the "quick hit" list) would be removed from the market-to-market process under their proposed revisions.<sup>27</sup>

17. Third, the RTOs maintain that, contrary to NIPSCO and the Generator Group's assertions, their proposed revisions are outside the scope of the Interregional Planning Stakeholder Advisory Committee (IPSAC) and the JCM process. Regarding the IPSAC, the RTOs state the IPSAC mandate is limited to "facilitat[ing] stakeholder review and input into coordinated system planning with respect to the development of the Coordinated System Plan."<sup>28</sup> Regarding the JCM process, the RTOs similarly assert that the JCM process is limited to specific issues that will continually reduce economic and operational inefficiencies for transactions between the two footprints. Further, the JOA does not require the RTOs to review proposed JOA revisions in the JCM process. In addition, the RTOs state that they have previously submitted filings proposing revisions to the JOA that do not fall within the scope of the JCM process,<sup>29</sup> including the JOA

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<sup>25</sup> *Id.* at 4-5.

<sup>26</sup> *See supra* P 12, n.17.

<sup>27</sup> RTO Answer at 5-7.

<sup>28</sup> *Id.* at 7 (quoting JOA, § 9.1.2).

<sup>29</sup> *Id.* at 8 (citing *Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 143 FERC ¶ 61,097 (2013); *Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 143 FERC ¶ 61,102 (2013)).

revisions implementing the Total Flow Market-to-Market Flowgates that are the subject of this proceeding. Finally, the RTOs disagree with the Generator Group's assertion that the proposed revisions significantly impact the current review of seams issues between PJM and MISO<sup>30</sup> and state that the Generator Group provides no evidence to support these statements.<sup>31</sup>

18. Fourth, the RTOs add that they reviewed the proposed revisions with their respective stakeholders. The RTOs state that the JOA authorizes PJM and MISO to file with the Commission mutually agreed-upon revisions to the JOA, and the JOA does not require any preconditions or stakeholder process to such a filing, though interested parties may file comments in response to the FPA section 205 filing for such revisions. The RTOs conclude that, despite the fact that there is no requirement for a stakeholder process, both PJM and MISO did present the proposed revisions to their respective groups: PJM reviewed the proposed revisions at the February 11, 2015 Market Implementation Committee meeting and April 23, 2015 Markets and Reliability Committee meeting; MISO informed its Seams Management Working Group of the discussions regarding modifications to the 25 percent threshold on August 8, 2012 where it received no adverse comments, and on January 8, 2013, MISO reported to the Seams Management Working Group that MISO and PJM had reached agreement on the proposed revisions.<sup>32</sup>

19. Fifth, the RTOs argue that the Commission should reject the Generator Group's request for a technical conference as unwarranted. According to the RTOs, the proceedings cited to by the Generator Group (addressing cross-border seams issues and JCM initiatives involving capacity deliverability and interface pricing) are more complicated than the matter at issue in this proceeding, and here PJM and MISO agree on a solution.<sup>33</sup>

20. Finally, the RTOs further argue that the Generator Group's request to expand the scope of the proceeding is impermissible in a section 205 proceeding. The RTOs state that the Generator Group, through its request for a technical conference, wishes to also assess the definition of a flowgate and other planning issues. According to the RTOs, however, such concerns are properly raised pursuant to a complaint filed under

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<sup>30</sup> *See supra* P 12, n.16.

<sup>31</sup> RTO Answer at 7-8.

<sup>32</sup> *Id.* at 9-10.

<sup>33</sup> *Id.* at 10-11.

section 206 of the FPA,<sup>34</sup> and although the Commission may reject the proposed revisions as unjust and unreasonable, the Commission may not require revisions to other provisions that are unrelated to these proposed revisions without finding those other provisions unjust and unreasonable under section 206 of the FPA.<sup>35</sup>

#### **IV. Discussion**

##### **A. Procedural Matters**

21. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2014), the Commission will accept Wabash Valley's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

22. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer submitted by the RTOs because it has provided information that assisted us in our decision-making process.

##### **B. Commission Determination**

23. We accept the RTOs' proposed revisions to the JOA and make them effective August 4, 2015, as requested. As the RTOs explain, the proposed revisions will exclude low-voltage flowgates whose non-monitoring RTO market flow is under 35 percent from market-to-market coordination because the non-monitoring RTO cannot efficiently control market flow to alleviate a constraint. Removing such flowgates from Total Flow Market-to-Market Flowgates conforms to the JOA's terms and conditions which state that each RTO "should minimize financial harm to one RTO that results from market-to-market coordination initiated by the other RTO that produces less than optimal dispatch."<sup>36</sup> Accordingly, we find the RTOs' proposal just and reasonable.

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<sup>34</sup> 16 U.S.C. § 824e (2012).

<sup>35</sup> RTO Answer at 11-12.

<sup>36</sup> PJM-MISO JOA, §8.1.2.

24. We find that the RTOs have adequately addressed NIPSCO's and the Generator Group's concerns that insufficient evidence was provided to support the proposal. As demonstrated in the RTOs' answer, the proposed revisions will remove Market-to-Market Flowgate status on only a very small portion of total Market-to-Market Flowgates; furthermore, only four out of 23 low-voltage Market-to-Market Flowgates will be affected. As the RTOs note, "[a]llowing flowgates that the non-monitoring RTO cannot efficiently control to qualify as a [M]arket-to-[M]arket [F]lowgates . . . does not reflect the intent of the fundamental philosophy of the market-to-market process stated of the JOA."<sup>37</sup> We agree with the RTOs' assertion that they are attempting to remedy the JOA by addressing the issue where the non-monitoring RTO has insufficient generation to control its market flows on a limited number of Market-to-Market Flowgates.

25. We disagree with NIPSCO that the proposed changes will result in a reallocation of costs. Given the limited amount of flowgates that will be affected, the proposed revisions will likely have minimal effects on future market-to-market payments. Furthermore, NIPSCO provides no evidence for its claim that maintaining the 25 percent threshold instead of accepting the proposed 35 percent threshold would provide a more equitable outcome for customers of the monitoring RTO. The proposed changes will instead decrease the burden on the non-monitoring RTO in PJM-MISO congestion management by removing flowgates from consideration which the non-monitoring RTO lacks sufficient generation to control.

26. We disagree with NIPSCO's arguments: (1) that there was no showing of a problem that needed to be addressed; (2) that market flows on lower voltage facilities are less impactful and there was no analysis of cumulative impact; and (3) that the RTOs provided insufficient stakeholder review. First, the RTOs have shown a concrete problem in the JOA that needs to be addressed. That is, the lack of sufficient generation by a non-monitoring RTO to control market flows on a limited number of Market-to-Market Flowgates. Second, the RTOs have demonstrated that a 35 percent market flow threshold criteria for Total Flow Market-to Market Flowgates (with a voltage of 138kV and below) would likely remove those flowgates on which the non-monitoring RTO has a low impact and, therefore, cannot efficiently control. Third, we agree with the RTOs that stakeholder review is not required for the proposed revisions,<sup>38</sup> and we recognize that

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<sup>37</sup> RTO Answer at 4.

<sup>38</sup> See *Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 143 FERC ¶ 61,097 at P 22 (finding that "a stakeholder process is not required for the proposed [JOA] revisions"); *Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 143 FERC ¶ 61,102 at P 16).

PJM and MISO nonetheless presented the proposed revisions to stakeholders prior to filing them with the Commission.<sup>39</sup>

27. We also disagree with the Generator Group that the RTOs' proposed revisions will negatively impact planning for congestion along the PJM-MISO seam. As stated in the June 5 Filings and the RTOs' answer, the non-monitoring RTO lacks sufficient generation to efficiently manage congestion at the flowgates affected by the proposal; therefore, raising the threshold for Market-to-Market Flowgate classification will likely have a negligible effect on congestion. We further note that these four flowgates identified by the RTOs are not part of the "quick hit" list and the vast majority of Market-to-Market Flowgates, including those on the "quick hit" list, are not Total Flow Market-to-Market Flowgates. However, as noted by the Generator Group, congestion remains a persistent issue at low-voltage level flowgates at the PJM-MISO seam. Accordingly, while we agree with the RTOs that transmission planning related to relieving congestion is beyond the scope of this proceeding, we encourage the RTOs, as noted in their answer, to continue to "study congestion and potential upgrades for any flowgate for planning purposes regardless of whether a flowgate is designated as a [M]arket-to-[M]arket [F]lowgate for market and operational reasons."<sup>40</sup>

28. The Generator Group argues that the June 5 Filings cannot be assessed in isolation and that the impact on certain JCM issues currently being reviewed by the Commission must first be understood. The Generator Group additionally contends that the June 5 Filings should be examined in a technical conference within broader discussion of flowgates and the indicia of need for congestion management relief through transmission upgrades. We reject these requests and find them beyond the scope of this proceeding. As noted above, the impact of the June 5 Filings on Market-to-Market Flowgates will likely be minimal. Consistent with this finding, we also reject the Generator Group's request for a hearing to assess the validity of the RTOs' claims and the broader market impacts as beyond the scope of this proceeding. We also find that, as discussed above, the RTOs have adequately addressed concerns that insufficient evidence was provided to support the proposal.

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<sup>39</sup> See *supra* P 18.

<sup>40</sup> RTO Answer at 6.

The Commission orders:

The June 5 Filings are hereby accepted, effective August 4, 2015, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

## **Appendix A**

### **Tariff Sections Filed by the RTOs**

Docket No. ER15-1874-000

PJM Interconnection, L.L.C., Interregional Agreements, [Att 3 Section 1, MISO-JOA Att 3 Section 1 Overview of the Market-to-Market, 3.0.0](#); [Att 3 Section 3, MISO-JOA Att 3 Section 3 Real-Time Energy Market Coordinatio, 2.0.0](#); [Att 3 Section 3.1, MISO-JOA Att 3 Section 3.1 Real-Time Energy Market Coordinat, 2.0.0](#); [Att 3 Section 3.2, MISO-JOA Att 3 Section 3.2 Real-Time Energy Market Settlemen, 1.0.0](#); [Att 3 Section 5, MISO-JOA Att 3 Section 5 Annual Revenue Rights \(ARR\) Allocat, 2.0.0](#); [Att 3 Section 6, MISO-JOA Att 3 Section 6 Coordination Example, 3.0.0](#); and [Att 3 Section 8, MISO-JOA Att 3 Section 8 Appropriate Use of the Market-to-Ma, 1.0.0](#).

Docket No. ER15-1890-000

Midcontinent Independent System Operator, Inc., MISO Rate Schedules, [Section 1, Overview of the Market-to-Market Coordination Process, 32.0.0](#); [Section 3, Real-Time Energy Market Coordination, 31.0.0](#); [Section 3.1, Real-Time Energy Market Coordination Procedures, 31.0.0](#); [Section 3.2, Real-Time Energy Market Settlements, 31.0.0](#); [Section 5, Auction Revenue Rights \(ARR\) Allocation/Financial Transmissi, 32.0.0](#); [Section 6, Coordination Example, 31.0.0](#); and [Section 8, Appropriate Use of the Market-to-Market Process, 31.0.0](#).