

Market-to-Market Coordination with PJM

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Agenda

- ◆ Background
- ◆ Benefits of Market-to-Market
- ◆ Key Concepts
- ◆ Tariff Impacts
- ◆ Next Steps

Background

- ◆ On January 12, 2010, the NYISO filed a report with FERC describing the Broader Regional Markets suite of solutions, including Market-to-Market Coordination, to address loop flows
- ◆ FERC ordered the NYISO to complete Market-to-Market by the end of Q4 2012
- ◆ On March 31, May 26, August 29, and September 26, 2011, the NYISO discussed the status of M2M Coordination with PJM at the MIWG
- ◆ On July 21, 2011, the NYISO and PJM held a Joint Stakeholder meeting to discuss the status of M2M Coordination

Purpose

- ◆ Market to Market (M2M) provides the ability for the NYISO to request assistance from a neighbor, through re-dispatch and PAR control actions, to solve a NYISO constraint at a lower cost, thereby reducing the overall cost of congestion

Key Concepts

Real Time / Market-to-Market Coordination

- A mechanism for NYISO and PJM to provide more cost effective management of constraints from a larger pool of resources

Monitoring RTO (MRTO)

- The RTO that has the primary responsibility for monitoring and control of a coordinated Flowgate

Non-Monitoring RTO (NMRTO)

- The RTO that does not have the primary responsibility for monitoring and control of a Flowgate, but does have resources that impact the Flowgate

Key Concepts

Market Flow

- The flow in MW on a Flowgate that is caused by all real-time control actions to serve load in the RTO footprint

M2M Flowgate

- A Flowgate that may be significantly impacted by the dispatch of generation serving load in an adjacent market or impacted by Ramapo PAR control

Entitlements

- Predetermined MW amount that a market entity is entitled to per Flowgate based on its historical impacts to that Flowgate. In the M2M process, real time usage is compared to entitlement to determine settlement

Tariff Impacts

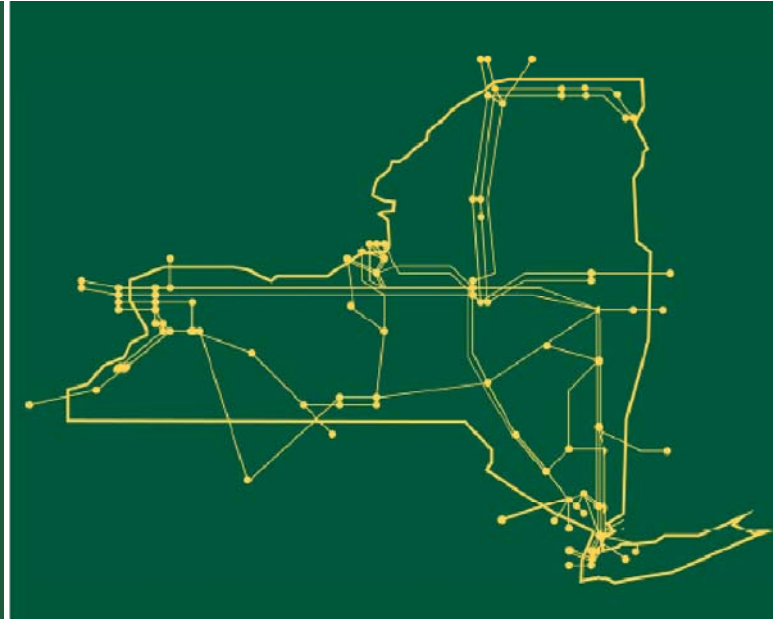
- ◆ PJM – NYISO JOA
 - *OATT Attachment CC*

- ◆ PJM – NYISO Interregional Congestion Management Pilot Program
 - *MST Section 5*

Next Steps

- ◆ Review Updated Concepts at the October 19, 2011 MIWG
- ◆ Second Joint M2M Stakeholder Meeting on November 3, 2011
- ◆ Continue to work with PJM on M2M software integration
- ◆ File tariff and JOA revisions by EOY 2011

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