**Organization of MISO States**
**Markets and Seams Work Groups**
**Response to MSC Feedback Request**
**Submitted on April 30, 2026**

In the April 16, 2026 meeting of the Market Subcommittee (MSC), stakeholders were invited to submit feedback on MISO's plan to retire the Coordinated Transaction Scheduling (CTS) Product by the end of 2026.

https://www.misoenergy.org/engage/stakeholder-feedback/2026/msc-retirement-of-coordinated-transaction-scheduling-cts-product-msc-2026-4--20260416/

The OMS Markets and Seams Work Groups (OMS Work Groups) provide this feedback to MISO regarding Retirement of the Coordinated Transaction Scheduling (CTS) Product by the end of 2026. **This feedback is from OMS work groups and does not represent a position of the OMS Board of Directors.**

## Introduction

The OMS Work Groups strongly support reforming MISO's intermarket scheduling practices with neighboring regions and believe retiring the CTS Product is a necessary first step given its limited use and the economic savings afforded by alternative processes and mechanisms. Modernizing seams transactions is essential for ensuring that ratepayers benefit from the most cost-effective generation available across regional boundaries.

## Significant Economic Savings

The primary driver for our support is the clear potential for substantial economic savings. Current inefficiencies at the market interface have led to price divergence, where expensive power is dispatched in one region while cheaper power sits idle in a neighboring region.

By transitioning away from obsolete scheduling tools, MISO (and neighboring regions) can realize tens of millions of dollars in annual production cost savings. According to the IMM's calculations, eliminating CTS and replacing it with an efficient alternative would improve price convergence, resulting in $30-40 million in annual adjusted production costs savings. These savings directly translate to lower wholesale energy costs (~$2 MWh LMP reduction, per IMM), providing much-needed relief to consumers and improving the overall competitiveness of MISO's markets.

## Support for Retiring the CTS Product

We echo the IMM's long-standing support for retiring the CTS product. As the IMM has previously documented, CTS has consistently failed to meet its original objectives.[1] It remains underutilized by market participants due to high transaction costs and the risk of uneconomic flows caused by 75-minute lead times.

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[1] "We have recommended since 2019 that MISO pursue this timelier form of CTS with both PJM and SPP but little progress has been made. MISO's Market System Enhancement will require MISO to re-develop the software to maintain the current CTS. Given its poor performance, MISO is considering eliminating it and pursuing a replacement process that is based on the 5-minute dispatch software." *2024 State of the Market Report*, Potomac Economics, p. 88: https://cdn.misoenergy.org/2024%20State%20of%20the%20Market%20Report704622.pdf.

Furthermore, maintaining a product that does not facilitate efficient price convergence is a misuse of administrative resources. We agree with the IMM that the industry must move beyond the current trader-driven model of CTS toward a more automated, RTO-driven solution.

**Recommendation: SPP's Intermarket Optimization (IMO)**
The OMS Work Groups recommend that MISO and its neighboring RTOs prioritize the consideration of SPP's Inter-Market Optimization (IMO) framework as a superior alternative. Unlike CTS, which relies on manual bids from external parties, the SPP IMO model uses an automated, software-driven process to clear the market. This allows for dynamic energy transfers based on real-time supply curves.

We understand that the IMO framework treats the seam as a manageable constraint within the dispatch engine – similar to internal transmission lines – greatly reducing the frequency of uneconomic trades. The OMS Work Groups urge MISO to look to SPP's IMO Analysis Paper as a framework for this transition and initiate conversations with SPP in earnest on the viability of implementing IMO on the MISO/SPP seam.

**Conclusion**
MISO's proposal to retire the CTS product represents a vital step toward a more integrated and efficient grid. By retiring the ineffective CTS product and adopting a modern IMO approach, the MISO can eliminate unnecessary seams costs and deliver tangible economic benefits to ratepayers.

The OMS Work Groups request that MISO establish a timeline for consideration of a replacement to the CTS Product. Ideally, MISO would implement the same framework with PJM and SPP. Given that SPP is moving forward with its IMO initiative, the OMS Work Groups strongly recommend that MISO engage with SPP proactively to ensure any modifications to the IMO product that may be necessary for MISO adoption are incorporated before SPP finalizes its design. Otherwise, MISO and its stakeholders may be left with little or no opportunity to revise the IMO's design elements.