

# RTO Response to IMM/MMU Analysis and Stakeholder Feedback

Seams Liaison Committee

September 14, 2020

# Tier 1 Recommendations

# Market-to-Market Coordination

Recommendation Summary: MISO and SPP cause power flows on each other's networks and should seek to improve their M2M congestion management processes to maximize savings.

## SPP/MISO Feedback:

- ❖ SPP and MISO meet regularly to discuss improvements to the M2M process and are committed to exploring future enhancements
- ❖ The RTOs are already coordinating on relief request optimization by using a predicted flow value to dampen the effect of power swings. This project is expected to be completed by the end of 2020.
- ❖ The other M2M recommendations have merit but are viewed as significant undertakings and would require substantial time and resources to fully implement

## Additional Considerations:

- ❖ Any proposals should be properly analyzed, reviewed, and approved through stakeholder processes, when necessary
- ❖ Some recommendations may result in cost shifts between the RTOs

# Rate Pancaking / Unreserved Use Charges

Recommendation Summary: The IMM stated that rate pancaking and unreserved use charges do not appear to have a significant impact on system efficiency or transactions at the seam. The analysis did not evaluate the impact to long-term transmission service or day-ahead transactions.

## SPP Feedback:

- ❖ FERC appears to be clear on the obligation of transmission customers to reserve necessary transmission service
- ❖ Rights to use certain facilities as a result of an interregional project can be negotiated
- ❖ It is difficult to set a threshold of when rate pancaking is and is not appropriate (pseudo-tie near the seam vs. pseudo-tie across multiple host BA facilities)

## MISO Feedback:

- ❖ MISO would be open to further evaluation of the costs and benefits of removing transmission service charges for transacting between the two RTOs
- ❖ Further evaluation of this item will require close coordination with the MISO and SPP Transmission Owners

## Additional Considerations:

- ❖ Evaluation will need to look at the magnitude of the cost shift and what parties are impacted if transmission service charges are zeroed out for certain types of transmission service between the RTOs

# Tier 2 Recommendations

# Coordinated Transaction Scheduling (CTS)

Recommendation Summary: MISO and SPP should seek to improve their price forecasts, remove fees, and tie ramp constraints for CTS to actual ramp capabilities to potentially implement a CTS product.

## SPP/MISO Feedback:

- ❖ Improved price forecasting is necessary to fully capture the benefits of a CTS product
- ❖ Removal of certain transmission service fees and variable market fees would increase the likelihood of benefits but would require JOA and/or tariff changes
- ❖ MISO's stakeholders have placed a low priority on CTS implementation on the MISO-SPP seam in the Integrated Roadmap process and therefore it resides in the parking lot and is currently inactive
- ❖ SPP has included this item in their Strategic Roadmap for research and analysis work to begin in 2022

## Additional Considerations:

- ❖ A holistic assessment would need to be conducted to evaluate all the potential costs and benefits prior to implementing a CTS product on the SPP-MISO seam
- ❖ It would need to be vetted in both the SPP and MISO stakeholder processes

# Interface Pricing

Recommendation Summary: SPP and MISO should each modify their respective interface prices to include only the congestion component on their own monitored constraints.

## SPP/MISO Feedback:

- ❖ SPP and MISO agree that improvements can be made to the design and methodology of interface prices
- ❖ MISO's initial evaluation shows that resolution will likely require solutions to be implemented in their market systems  
MISO is deferring work on any such solution until after the Market System Enhancement (MSE) project has been fully implemented (2022+)
- ❖ SPP has included this item in their Strategic Roadmap for research and analysis work to begin in 2022

## Additional Considerations:

- ❖ Further evaluation is needed in order to thoroughly identify the costs, benefits, and potential solutions to the issue and it must be appropriately vetted through the SPP and MISO stakeholder processes
- ❖ This change would likely require JOA, tariff, and/or other governing document changes

# Tier 3 / Other Recommendations

# Targeted Market Efficiency Projects (TMEP)

Recommendation Summary: One stakeholder provided feedback that they would be interested in seeing MISO and SPP replicate the MISO/PJM TMEP process to evaluate potential projects to mitigate M2M congestion between MISO and SPP.

## SPP/MISO Feedback:

- ❖ SPP staff strongly support exploring a TMEP process and have included this item in their Seams Steering Committee work plan
- ❖ MISO is open to discussions on a TMEP-like process but would want to consider appropriate criteria for the MISO-SPP seam under such discussions

## Additional Considerations:

- ❖ This recommendation must be analyzed, reviewed, and approved through both RTO's stakeholder processes
- ❖ Would require JOA and tariff changes

# Joint Planning Model

Recommendation Summary: A joint model with joint assumptions should be considered for coordinated planning processes

## SPP/MISO Feedback:

- ❖ The bulk of the time to perform the Coordinated System Plan (CSP) studies in 2014 and 2016 was utilized to build a joint model
- ❖ SPP and MISO found the joint modeling process to be ineffective and therefore revised the Joint Operating Agreement (JOA) to remove this requirement
- ❖ Recommended projects must still be approved through regional processes, which use the SPP and MISO models

## Additional Considerations:

- ❖ The feasibility of joint models and assumptions could be evaluated, as appropriate, for larger “special studies”, like a 20-year assessment