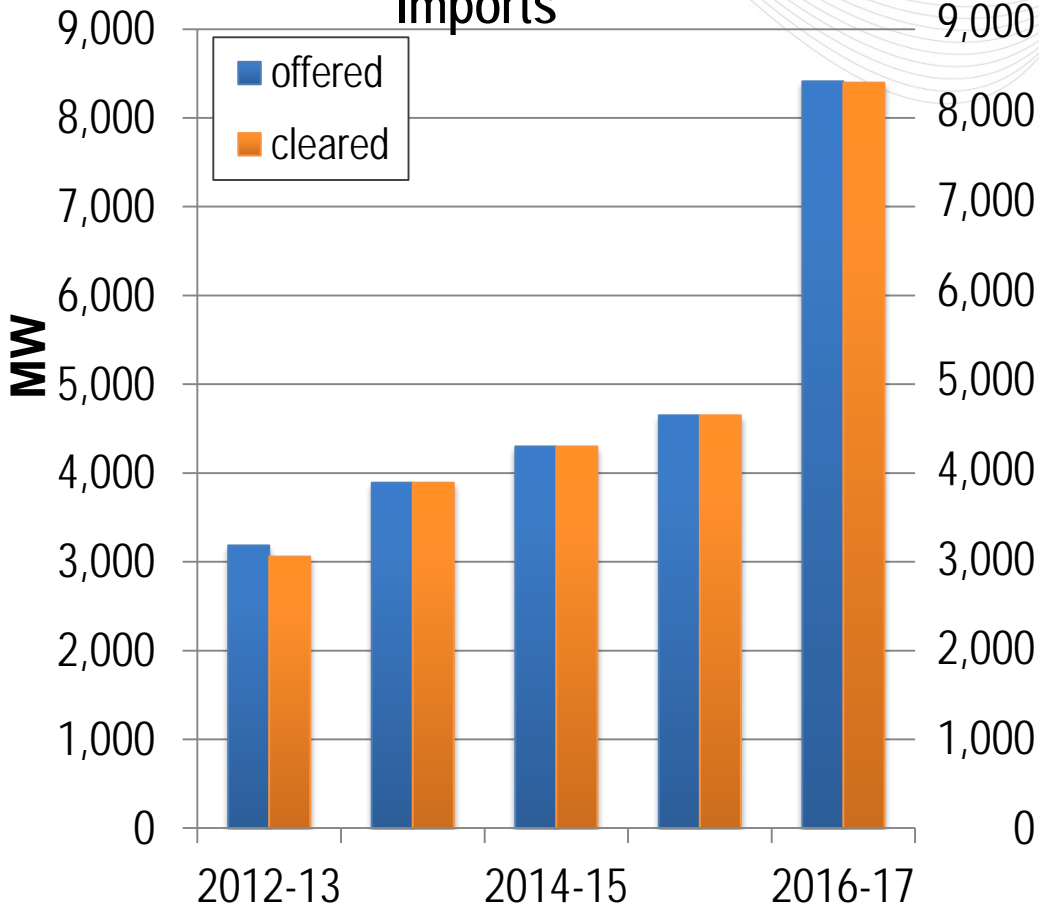


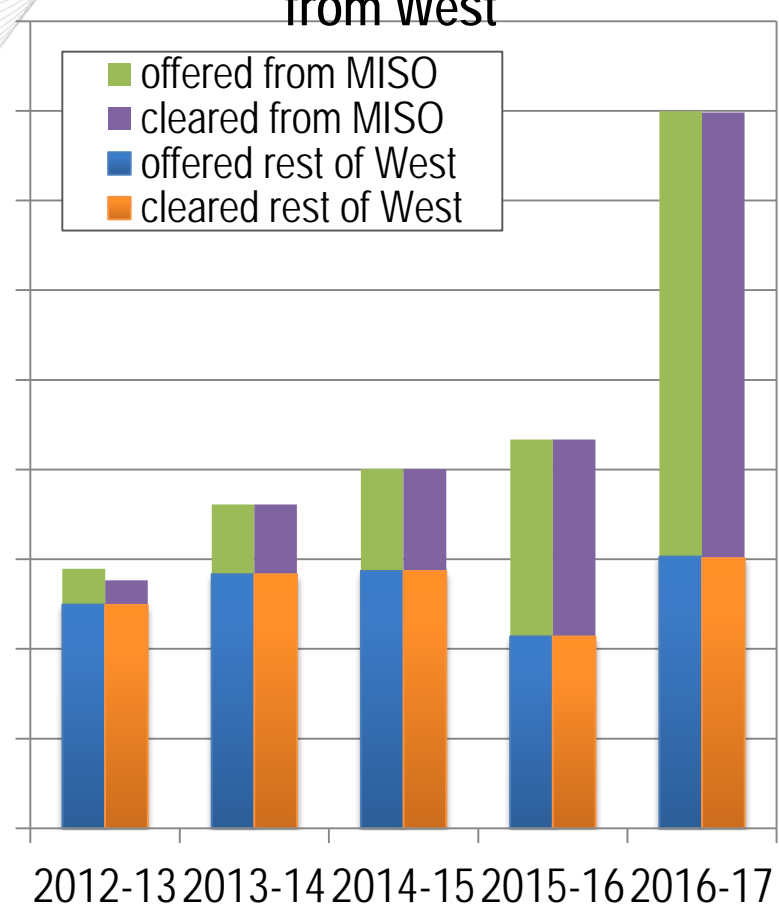
PJM/MISO Seams Coordination and Capacity Deliverability

Andrew Ott
Executive Vice President, Markets
FERC Meeting
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Total PJM Installed Capacity Imports



PJM Installed Capacity Imports from West



Capacity imports are increasing and competitive.

- PJM is committed to efficient and reliable interregional market coordination
- The revitalized JCM process is working well
 - PJM is committed
 - Both PJM and MISO Stakeholders are engaged
 - State Commissioners are engaged
- Stakeholders have established priorities
- Substantial progress has been made

Points Based Urgency	Survey Score (sum of participants score on 1 to 5 scale)	Rank Order Prioritization
RTO-to-RTO Data Exchange and Transparency	561	1
Transmission and Generation Outage Coordination	531	2
Day-Ahead Market Coordination	519	3
Interchange Scheduling Business Rule Alignment	505	4
Freeze Date for Firm Flow Entitlement calculations	488	5
Regional Planning Coordination (MTEP/RTEP)	484	6
Interchange Pricing	469	7
Generation Interconnection and TSR Queue Coordination	456	8
Treatment of ONT-ITC PARs in M2M Process	404	9
Constraint Relaxation	388	10
Interchange Optimization	349	11
Coordination of capacity deliverability modeling and assumptions	339	12
Market Participant Funded Upgrades/IARR requests	300	13
Coordination of capacity product definition	284	14
Ensure that RA processes efficiently allocate the existing transmission system for the purposes of cross border capacity transactions	238	15

Accomplishment

- ✓ Day-Ahead / Real-Time Market Coordination
- ✓ RTO to RTO Data Exchange
- ✓ Transparency
- ✓ System Planning Coordination
- ✓ Order 1000 Compliance
- ✓ Capacity Deliverability (Short Term Items)

Stakeholder Value

- Operational Efficiency
- Participant Certainty
- Participant Understanding
- Planning Efficiency
- Planning Efficiency
- Market Access

- The JCM process identified key priorities to address the seams issues that will have highest value impact from stakeholder perspective.
- PJM is committed to addressing the identified High Priority Items
 - Day-ahead / Real Time Market operations
 - Data Exchange / Transparency Improvements
 - Transmission Outage Scheduling Coordination
 - Transmission Planning Coordination
- Although capacity deliverability received low priority ranking, PJM expects continuing discussion with MISO and stakeholders

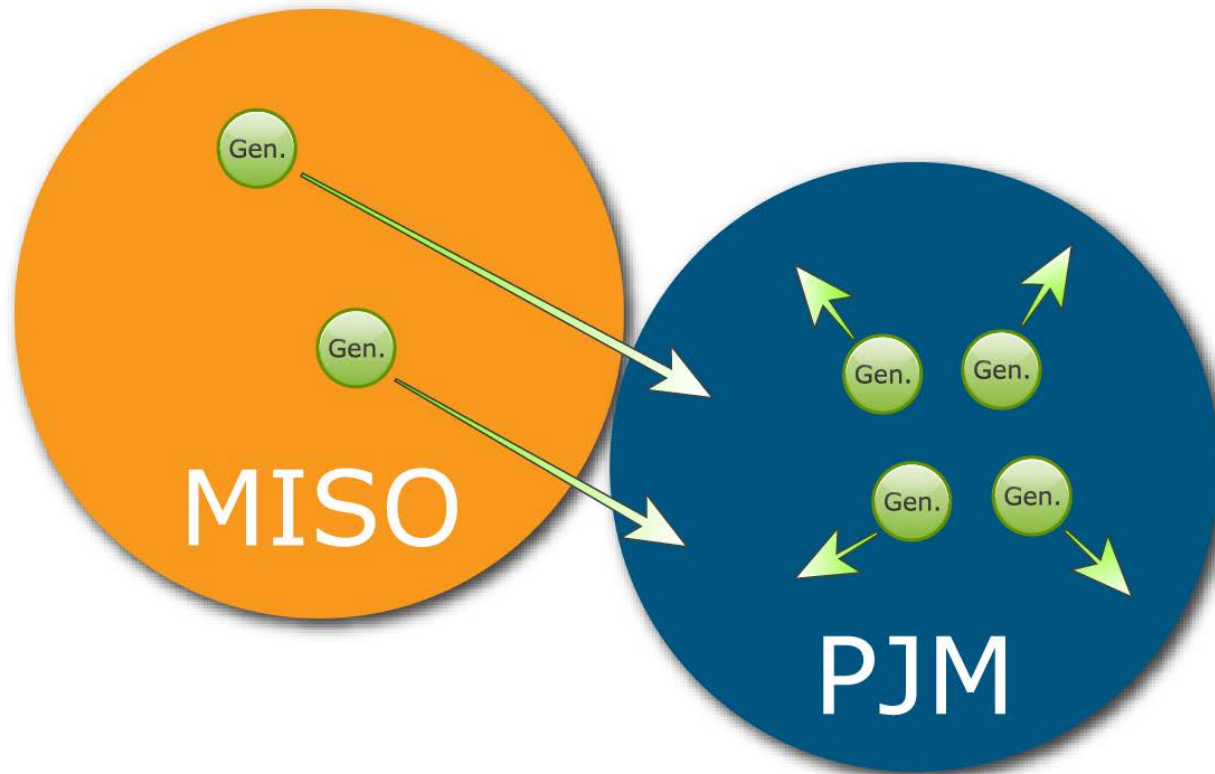
System Planning Analyses



Market Operations



Reliability requires the capacity construct and system planning to be consistent with actual grid operations.



PJM evaluates deliverability from internal and external generators identically.



- Jeopardizes Reliability
- Shifts Costs to PJM Customers



Evaluating deliverability to PJM from a pooled group of generators ignores constraints that exist when generators perform differently in real time than assumed in the planning studies.