

# ATC Quarterly Midwest ISO Update

November 20, 2008

# Agenda

- Operations Update
- Duquesne Update
- Ancillary Services Market Update
  - Business Process Testing & Market Trials
  - Readiness Update

# Operations Update

October was characterized by above normal temperatures across the footprint, with increased levels of planned generation outages and transmission outages.

- Implementation of the Minimum Generation Emergency Procedures (2 Alerts, 1 Warning, 0 Events) was reduced due to generator minimums being lowered due to normal seasonal relaxation of environmental limits.
- FTR Funding decreased from 94.5% to 81% due to congestion on M2M constraints due to heavy west to east flows which were exacerbated by high levels of scheduled transmission outages.
- New wind peak of 2,592 MW set on October 26, 2008 and total installed capacity for wind in October is 3,254 MW.
- No Transmission Loading Relief (TLR) Level 5 events were experienced in October.

# Operations Update Cont'd

- Real Time Revenue Sufficiency Guarantee continues to be very low due to a combination of declining gas prices, a large percentage of the load being supplied by Day Ahead commitment, and continued efficient operator commitment.
- Revenue Sufficiency Guarantee total (\$31.82M) from August to October is the lowest month total since tracking began in September 2005 .
- Midwest ISO invoked the Available Ramp Capacity (ARC) procedure on October 14, 2008 and October 20, 2008 due to a temporary capacity shortage and released capacity above dispatch maximum for use by UDS.
- Number and size of requests resolved in Generation Interconnection Queue decreased in October relative to September. October 24th was the due date for the first round of studies under the new queue reform and full effect of the transition will be felt over the next few months.

# Duquesne Timeline

- January 17, 2008 FERC Order required PJM and Midwest ISO to implement procedures allowing for the portability of all RPM obligations
- The Capacity Portability Agreement between the Midwest ISO and PJM was originally filed with FERC on August 1, 2008
- September 30, 2008 FERC Order accepted the Portability Agreement subject to conditions
- The Portability Letter Agreement was updated and re-filed on October 30, 2008

# September 30th FERC Order

- September 30th FERC Order conditionally accepting Letter Agreement:
  - Portability Agreement satisfies the reliability obligations of Module E (RPM qualifies as Capacity Resource under Module E)
  - PJM and Midwest ISO must offer requirements
  - Energy Scheduling Roles during emergency conditions
  - Amendments to the agreement (Level of Service, Energy Scheduling, Emergencies)
  - Duquesne has to provide a 60 day notice prior to integration date

## Level of Service and Clarification of Roles

- Capacity Portability Energy Schedules (CPES) – Term used in the Letter Agreement and Operating Procedures to identify energy schedules backed by RPM Capacity
- CPES serving Load in the Duquesne Zone will be afforded the same level of reliability as load in all other zones in PJM obligated to RPM payments
- PJM will take all necessary steps including emergency procedures to serve the CPES (Duquesne Zone Load)
- CPES reductions will occur on the same basis as load reductions would occur if Duquesne remained in PJM
- Midwest ISO acting as the RC and BA will direct load shedding and other emergency actions in the Duquesne Zone
- Duquesne Light Company acting as the LBA, TOP and TO will carry out load shedding instructions

# Midwest ISO Resource Adequacy – Module E

- The Midwest ISO affirms that, with this Agreement and as required by the January 17 Order, the PJM RPM capacity can be used to satisfy the obligations under Module E of the Midwest ISO's Open Access Transmission and Energy Markets Tariff
- PJM RPM Capacity qualifies as Capacity Resources under Module E



# Midwest ISO Module E – Resource Plans

- If DLC enters the Midwest ISO on March 1<sup>st</sup> 2009 the LSE will submit:
  - A 10 year load forecast
  - A Resource plan for the remainder of the 2008 – 2009 planning year
    - The 10 year load forecast and the resource plan for the remainder of the 2008 – 2009 planning year will be due by February 1, 2009
  - A 2009 – 2010 Annual Resource Plan into the Module E Capacity Tracking (MECT) tool
    - The 2009 -2010 ARP is due by March 1, 2009

# Midwest ISO Module E – Resource Plans

- Annual and Monthly Resource Plan options for LSEs in the Duquesne Zone:
  - A. RPM Option - Indicate PJM RPM Capacity will be used to meet Resource Adequacy Requirement (RAR)
  - B. Module E - Submit Resource Plan with adequate Capacity Resource identified to meet RAR
  - C. Hybrid Option – Submit Resource Plan that indicates a combination of RPM and other Capacity Resources will be used to meet RAR
- Midwest ISO will calculate a Planning Reserve Margin that LSE will have to meet for any load not covered by RPM
- The LSE's are responsible to submit monthly updates for their Demand Forecast
- The LSE's are responsible to submit monthly updates for their RPM Forecast, if they chose option A or C

# ASM - Status of Project

**Midwest ISO and stakeholders are in the final stages of preparing for the January 6<sup>th</sup> Launch date for the ASM project.**

## **Key project activities**

- Ramp Sharing Model determined
- FERC Filings
  - November 21 – ASM Readiness Certification
- FERC Order
  - Midwest ISO anticipates FERC action on pending Filings on or around December 18<sup>th</sup>
- ‘Closed Loop’ Operations Tests
  - Completion of 35 Operations Tests to date
- BPMs updated
- Additional Training opportunities available
- System Cutover preparation
  - Updated System Cutover documents posted to Midwest ISO web-site
  - Final ASM ‘Implementation and Development’ meeting scheduled for December 11 to prepare stakeholders for ASM Cutover

# Readiness Advisor Status Summary as of 11-12-08

Benchmark and Criteria Status as of: Wednesday, November 12, 2008		
Total Benchmarks: 11		
Total Criteria: 40		
Comments		
Total Benchmarks "Verified" to Date	<b>9</b>	All Benchmarks complete except Compliance and BPMs
Total Criteria "Verified" to Date	<b>37</b>	92.5% of Total Criteria Verified
Total Criteria "On Target"	<b>1</b>	CMR3 - FERC Accepts the Reversion Plan
Total Criteria "Not on Target"	<b>2</b>	ALT10 LBA echoes setpoints BMR4 Stakeholder Review of BPMs
Total Criteria "LTA"	<b>0</b>	

- The Status Summary has been reset due to the new launch date
- Benchmarks For ASM Systems and Market Monitoring have been re-verified since the last Information Forum held in October due to the completion of MMR1, AMT1, AMT2 and AMT4.

# Readiness Advisor Status Summary as of 11-12-08

- Based on the new ASM/ BA timeline, the RA has reviewed the Readiness Criteria to determine the changes needed based upon the proposed tariff changes
- No new Criteria were identified
- Criteria Requiring Re-verification & “Verified as Passed”
  - ☑ AMT 1 & 2: Ramp Sharing in Algorithm due 11/11
  - ☑ AMT4: Settlements due 11/17
  - ☑ MMR1: Market Monitor Recertification due to Tariff change due 11/11
- Unverified Criteria Schedule
  - ☐ ALT10: LBA echoes set points due 10/24
  - ☐ BMR4: Stakeholder BPM Review due 11/11
  - ☐ CMR3: Reversion Plan estimated to be completed by 12/19
- Amended Final Readiness Report will be delivered by November 18 for inclusion into 45 day Readiness Filing

# Questions