



Preliminary Determination of Firm Flow Entitlements Associated with Incremental Auction Revenue Rights

In order to estimate how likely proposed transmission upgrades associated with incremental Auction Revenue Rights (IARRs) will result in appropriate FFE adjustments on Reciprocally Coordinated Flowgates (RCF), the following is a procedure that resembles the current Transmission Upgrade Study (Appendix G of Attachment II of the MISO-PJM JOA) process performed after upgrades come into service to award FFE adjustments. PJM will utilize this procedure to estimate forward looking FFE adjustments.

Components & Inputs

Design Component (Input)	Current TUS	Preliminary TUS
Model	Current IDC	Planning Model used to evaluate upgrade in study
Flowgates	NERC BOF	Potential Future Flowgates & NERC BOF
Load Forecast	Entity Submitted through System Data Exchange (SDX)	Planning Based Forecasts – Entity Submitted
Generator Dispatch	Historic Run Time	Historic Run Time + Unit Type
Active TSRs	Historic TSRs as of April 1, 2004	Historic TSR as of April 1, 2004

Coordination

PJM and MISO agree to coordinate on the preliminary determination of FFE adjustments as well as critical inputs such as proposed transmission upgrades, flowgates, etc. This coordination effort is aimed to ensure an accurate determination of the final FFE adjustments but there is no guarantee. Additionally, coordination efforts with other entities may be required as necessary.

Procedure

The preliminary TUS Study process will be similar in process to what is done today. Breaking it down step by step, the process will include the following steps:

- 1) Receive proposed transmission upgrade data from MISO if external upgrades are necessary
- 2) Compile a flowgate list
- 3) Compile Generator dispatch, Historic TSR List and load forecasts
- 4) Calculate Historic Impacts with and without upgrade
- 5) Calculate Historic Allocations with and without the upgrade
- 6) Compare Historic Allocations per current TUS rules to formulate an FFE adjustment
- 7) Review FFE adjustments with MISO

