

2013 MISO Market Integration TSR Conversion Special Scenarios – Redirect and Losses

Background

When new entities join MISO, active transmission service reservations are migrated from their current Transmission Provider's OASIS to the MISO OASIS. During the migration process, some conversions of service type may occur. This conversion will not reduce or negate any of the rights currently held by the holders of the existing service on the integrating systems.

Specifically, for Point to Point (PTP) service where the source is in the historical MISO footprint or on an integrating Transmission Provider's system, and the sink is also within the integrating Transmission Provider's system or the historical MISO footprint, the service will become "drive within" after the new member integration. In that case, the customer may keep the existing service, dissolve the existing service, or convert the existing service to network service, depending on its needs.

While MISO requires Load Serving Entities (LSEs) to maintain transmission service sufficient to serve their load, generators on the MISO system are not required to secure or maintain transmission service in order to inject power into the energy market or to support a bilateral transaction with a LSE with sufficient service for its load. Therefore, PTP service held by a LSE prior to integrating into MISO will typically be converted to network service, with the "source" of that service becoming a Designated Network Resource for the LSE provided that it has been designated on the integrating entity's specifications sheet. "Drive within" PTP service held by a generator will typically be dissolved.

On the other hand, where PTP transmission service is sinking to a third party entity outside of MISO, it will be maintained upon integration into MISO because "drive out" service is required to export power from within MISO to the external receiving party. Integration with MISO does not relieve the integrating entity's obligation to maintain the firm transmission service granted under the prior Transmission Provider's tariff.

Example:

Case 1: "Drive in or within" PTP service is usually dissolved or converted to network service:

Source=EES.Gen1; POR=EES; POD=CLECO; Sink=CLECO.xxx. If CLECO owns or has a long term contract with this resource, the PTP service can be converted to a network service and resource EES.Gen1 will become a Designated Network Resource for the CLECO load (provided that it is identified in CLECO's specifications sheet). Otherwise, this PTP service can be dissolved upon integration. (Note: Customer has the option to keep the PTP service although not commonly chosen.)

Case 2: "Drive out" TSR cannot be terminated or converted to Network:

Source=EES.Gen1; POR=EES; POD=SOCO; Sink=SOCO. This PTP service will be migrated to MISO OASIS as a PTP service: Source=EES.Gen1; POR=EES; POD=SOCO; Sink=SOCO, without the opportunity for dissolution.

Redirect scenario

Relative to redirected service, when original service that is "drive-out" is redirected to a "drive within" path, how will the "drive within" redirect portion of the TSR be treated?

Example:

Original TSR: “Drive out” TSR not dissolvable or convertible: Source=EES.Gen1; POR=EES; POD=SOCO; Sink=SOCO

Redirect TSR: “Drive within” TSR: Source=EES.Gen1; POR=EES; POD=CLECO; Sink=CLECO.xxx

Treatment of redirect scenario

As with original service that is categorized as “drive within,” a redirected “drive within” reservation can be dissolved by a generator holding the service or converted by a network customer holding the service for the remaining period of the redirect, if the customer chooses to do so. At the expiration of the term of the redirected portion of the long-term service, the service would revert to the original path, and the Transmission Customer will pay for the service at the applicable MISO rate. To facilitate the conversion of service into MISO, as of the November 19, 2013 OASIS freeze date, any redirect requests must be submitted by October 19, 2013 in order for the integrating entity to take advantage of the option to “dissolve” the service or “convert to network service.” A “drive within” redirect request submitted after October 19, 2013 cannot be dissolved or converted to network.

When redirected service is dissolved or converted, renewal rights on the original service will be reduced by the dissolved or converted service capacity.

Accounting for losses on existing service

Given that losses are settled financially in MISO, rather than through reservations and scheduling, where the integrating Transmission Provider’s OATT required the accounting for losses in the reservation for service, these excess MWs may be dissolved by the transmission service customer, at their option.