



Joint and Common Market

CONSTRAINT RELAXATION AND PSEUDO-TIE CONGESTION OVERLAP SETTLEMENT

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MISO-PJM JOA Changes to Constraint Relaxation

- MISO/PJM disabled Constraint Relaxation on M2M flowgates
 - On July 13, 2020
- Constraint Relaxation was deactivated:
 - MISO for internal constraints on Feb 1, 2012
 - PJM for internal constraints on Feb 1, 2019
- Removal of Constraint Relaxation allows constraints that would otherwise unbind to bind at the penalty factor
- More consistent dispatch and market signals

MISO-PJM JOA Changes to Constraint Relaxation

- Timeline
 - JOA changes were filed with FERC on December 19, 2019
 - MISO-PJM submitted a clarification filing on February 18, 2020
 - FERC accepted the filing March 6, 2020
 - Deactivation of Constraint Relaxation for all MISO-PJM M2M flowgates was implemented on July 13

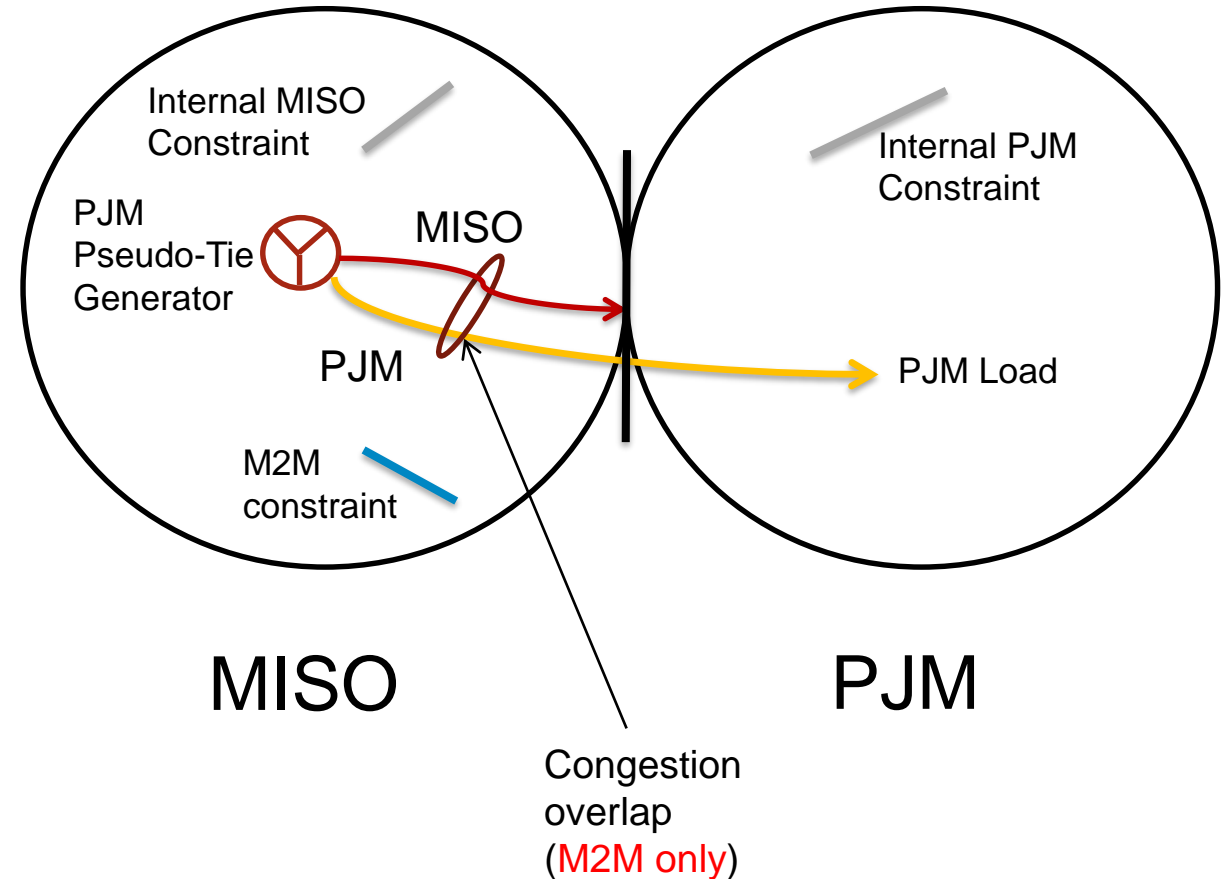
What is Pseudo-Tie Congestion Overlap

MISO Market

- MISO collects Real-time Explicit Congestion (**M2M** and Internal MISO constraints)

PJM Market

- PJM collects Day-ahead congestion on entire path (**M2M** and Internal PJM constraints)



Pseudo-Tie Congestion Overlap Final Settlement

Final settlement filed with FERC on March 18, 2020

- Was approved by the FERC on May 29, 2020
- Settlement funded from source of excess congestion for relevant period

*Final Settlement
Agreement (\$millions)*

	Total
MISO	\$8.47
PJM	\$1.83
Total	\$10.3

Pseudo-Tie Congestion Overlap Final Settlement

- Timeline
 - Final settlement filed with the FERC on March 18, 2020
 - Was approved by the FERC on May 29, 2020
 - PJM settlement was processed in the June monthly bill
 - Issued on July 8, 2020
 - MISO settlement was processed in the June monthly bill
 - Issued on June 30, 2020