

Available via

<<http://199.97.97.163/IMDS%PMANAT0%read%/home/content/users/imds/feeds/comtex/2002/01/21/pr/0000-1699-pa-pjm-miso-joint>>

**PJM, Miso Planning Joint And Common Wholesale Energy Market-Single Energy Market Would Serve 27 States, the Canadian Province of Manitoba And The District of Columbia**

PR Newswire ( January 21, 2002 )

VALLEY FORGE, Pa., and CARMEL, Ind., Jan 21, 2002 /PRNewswire via COMTEX/ -- PJM Interconnection and the Midwest Independent Transmission System Operator, Inc. (MISO) today announced that they have executed a "Letter of Intent" to develop a single wholesale market for electricity producers and consumers in all or parts of 27 Midwest and mid-Atlantic states, the District of Columbia and the Canadian province of Manitoba.

The vision for achieving a single energy market is outlined in the Letter of Intent, which officials at PJM and MISO discussed with their respective members and boards last week.

"This Letter of Intent reflects PJM and MISO's commitment to develop a single, robust energy market that meets the needs of all customers and stakeholders in the combined region," said Phillip G. Harris, PJM president and chief executive officer. "PJM and MISO's intent is to offer an innovative approach to serve the needs of the public and the individual states and governmental entities, while benefiting the economies in the regions encompassed by the market."

"Working with PJM on a joint and common market design will allow both regions the opportunity to rapidly realize the benefits of a seamless power market," said James P. Torgerson, president and chief executive officer of the MISO, the nation's first FERC-approved regional transmission organization.

The Letter of Intent outlines several guiding principles for the creation of a common energy market, including:

- The development of the market will be fully consistent with the safe and reliable operation of the electric power grid,
- The single energy market will be administered by two separate organizations with certain functions undertaken jointly and others undertaken through common processes,
- The needs of the states, district and province, individually and collectively, will be integral to a successful solution,

- Appropriate information technology network architectural design will be established that will provide for growth, redundancy, security and flexibility for the future, and
- A commitment to an open process to advise on the development of the market design by immediately establishing a joint stakeholder market committee.

A single market through PJM and MISO's regions would span more than 1 million square miles including all or portions of:

- From the Midwest ISO, including TRANSLink and the Southwest Power Pool (SPP): Montana, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Missouri, Iowa, Wisconsin, Illinois, Michigan, Indiana, Kentucky, Ohio, Virginia, New Mexico, Oklahoma, Arkansas, Wyoming, Louisiana, Texas, Mississippi and the Canadian province of Manitoba.
- From PJM and PJM West: Pennsylvania, Maryland, Delaware, New Jersey, West Virginia, Virginia, Ohio and the District of Columbia.

MISO's scale of operations, including TRANSLink and SPP:

- 17.5 million customers served
- 114,000 megawatts of peak load
- 125,000 megawatts of generating capacity
- 118,000 miles of transmission lines
- \$12.8 billion in installed assets

PJM and PJM West's scale of operation include:

- 25.1 million people served
- 62,445 megawatts of peak load
- 66,072 megawatts of generation capacity
- 13,100 miles of transmission lines
- \$6.5 billion in installed assets
- 200 members
- 298,011 gigawatt hours of annual energy
- 614 generation sources with diverse fuel types
- Over \$3.4 billion in annual billing

A copy of the Letter of Intent accompanies this release. For more information visit [www.pjm.com](http://www.pjm.com) or [www.midwestiso.org](http://www.midwestiso.org).

**LETTER OF INTENT**

**ACHIEVING THE VISION: A JOINT AND COMMON INTERNATIONAL  
WHOLESALE ENERGY**

## **MARKET SERVING 27 STATES AND 32 MILLION AMERICANS AND CANADIANS.**

### **PREAMBLE:**

The PJM Interconnection, L.L.C. ("PJM") and the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") (collectively, "Parties") commit to effectively implement the vision of a robust, nondiscriminatory, joint and common wholesale electric energy market ("Market") serving the needs of 27 states plus the District of Columbia and a Canadian province and over 32 million Americans and Canadians. Such a Market, extending over a large geographic area, will be designed and operated to serve the needs of the public, the individual states and governmental entities, to benefit the economies in the regions encompassed by the Market. The Market will facilitate wholesale markets, both in areas where retail electric industry restructuring is occurring, as well as areas where retail restructuring is still being evaluated. It will allow the larger region to rapidly realize the benefits that industry restructuring at the wholesale level had otherwise promised but not yet fully achieved. For these reasons, the Parties hereby commit their organizations' resources to achieving this vision through the principles outlined below. Implementation of the Letter of Intent shall be subject to execution of all necessary definitive agreements and such regulatory approvals as are necessary.

### **OBJECTIVE:**

To rapidly develop a single Market that meets the needs of all customers and stakeholders using the electric power grid in the regions served by the Midwest ISO and PJM (including the region known as PJM West).

### **PRINCIPLES:**

1. The Market represents a single energy market administered by two separate organizations with certain functions undertaken jointly and others undertaken through common processes. A comprehensive integration plan will be developed to evaluate the appropriateness of each function consistent with prudent business practice and the principles of this Letter of Intent and to achieve a Market in the most optimum and cost effective timeframe.
2. The development of the Market will be fully consistent with the safe and reliable operation of the electric power grid.
3. In the development and operation of the Market, it is recognized that the needs of the states and provinces, individually and collectively, will be integral to a successful solution.
4. It is recognized that various business models, such as ITCs, public power, municipals, and joint action agencies will be accommodated in Market.
5. The parties commit to an open process to advise on the development of the Market design by immediately establishing a joint stakeholders' markets

- committee. The Market will be designed and developed in a rational way that will optimize the resources of the entities in an effective and secure manner.
6. Appropriate IT network architecture designs will be established that will provide for growth, redundancy, security, and flexibility for the future.
  7. The stakeholders will be assured of SAS 70 auditability and assurance for all business processes.

Agreed to this 18th day of January, 2002

James P. Torgerson Phillip G. Harris

President and Chief Executive Officer President and Chief Executive

Midwest ISO Officer

PJM Interconnection, L.L.C.

**MAKE YOUR OPINION COUNT - Click Here**

<http://tbutton.prnewswire.com/prn/11690X75414228> SOURCE SOURCE PJM Interconnection, L.L.C.

**CONTACT: PJM News: +1-866-PJM-NEWS (756-6397), or +1-610-666-2200, or**

**Mary Lynn Webster, Manager of Corporate Communications of MISO,**

**+1-317-249-5448**

**URL: <http://www.midwestiso.org>**

**<http://www.pjm.com> <http://www.prnewswire.com>**

**Copyright (C) 2002 PR Newswire. All Rights Reserved.**