



DRAFT
Minutes
PJM Interconnection
Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
July 20, 2011
9:30 a.m. – 3:00 p.m.

Chair/Secretary:

Kormos	Michael	PJM Interconnection, LLC	Not Applicable
Anders	David	PJM Interconnection, LLC	Not Applicable

Voting Members Present:

Last Name	First Name	Company Name	Sector
Barker	Jason	Baltimore Gas and Electric Company	Transmission Owner
Bleiweis	Bruce I.	DC Energy, L.L.C.	Other Supplier
Breidenbaugh	Aaron	EnerNOC, Inc.	Other Supplier
Bruce	Susan	Rep.'g Air Liquide Industrials US, L.P.	End-Use Customer
Bruce	Susan	Rep.'g Air Products & Chemicals, Inc.	End-Use Customer
Bruce	Susan	Rep.'g Gerdau Ameristeel Energy, Inc.	Other Supplier
Bruce	Susan	Rep.'g Industrial Energy Users-Ohio (IEU-Ohio)	Other Supplier
Bruce	Susan	Rep.'g Kimberly-Clark Corporation	Generation Owner
Bruce	Susan	Rep.'g Lehigh Portland Cement Company	End-Use Customer
Bruce	Susan	Rep.'g Letterkenny Industrial Development Authority-PA	Electric Distributor
Bruce	Susan	Rep.'g Linde, Inc.	End-Use Customer
Bruce	Susan	Rep.'g MeadWestvaco Corporation	End-Use Customer
Bruce	Susan	Rep.'g Praxair, Inc.	End-Use Customer
Bruce	Susan	Rep.'g Procter and Gamble Paper Products Company	End-Use Customer
Bruce	Susan	Rep.'g SeverStal Sparrows Point, L.L.C.	End-Use Customer
Bruce	Susan	Rep.'g Wellsboro Electric Company	Electric Distributor
Campbell	Bruce	Rep.'g EnergyConnect, Inc.	Other Supplier
Campbell	Bruce	Rep.'g MidAtlantic Power Partners, L.L.C.	Other Supplier
Citrolo	John	Calpine Energy Services, L.P.	Generation Owner
Ellis	Jeff	Edison Mission Marketing and Trading, Inc.	Generation Owner
Esposito	Pat	NRG Power Marketing, L.L.C	Generation Owner
Evrard	David	Pennsylvania Office of Consumer Advocate	End-Use Customer
Fitch	Neal	GenOn Energy Management, LLC	Generation Owner
Flaherty	Dale	Duquesne Light Company	Transmission Owner
Fuess	Jay	Rep.'g Energy Consulting Services, LLC	Other Supplier
Fuess	Jay	Rep.'g Evraz Claymont Steel	Other Supplier
Fuess	Jay	Rep.'g Ictec.com, Inc.	Other Supplier
Fuess	Jay	Rep.'g Kuehne Chemical Company, Inc.	Other Supplier
Fuess	Jay	Rep.'g PBF Power Marketing LLC	Generation Owner



Fuess	Jay	Rep.'g Premcor Refining Group, Inc. (The)	Generation Owner
Gates	Ken	Rep.'g Atlantic Grid Operations A, LLC	Other Supplier
Gates	Ken	Rep.'g Primary Power LLC	Other Supplier
Greening	Michele	PPL EnergyPlus, L.L.C.	Transmission Owner
Guerry	Katie	Hess Corporation	Other Supplier
Hebert	Damase	Rep.'g Covanta Energy Group	Generation Owner
Hebert	Damase	Rep.'g NAEA Rock Springs, L.L.C.	Transmission Owner
Hebert	Damase	Rep.'g RC Cape May Holdings, L.L.C.	Generation Owner
Horstmann	John	Dayton Power & Light Company (The)	Transmission Owner
Horton	Dana	Appalachian Power Company	Transmission Owner
Huis	Diane	North Carolina Electric Membership Corporation	Electric Distributor
Jablonski	James A	Rep.'g Borough of Lavallette, New Jersey	Electric Distributor
Jablonski	James A	Rep.'g Borough of Park Ridge, New Jersey	Electric Distributor
Jablonski	James A	Rep.'g Borough of Seaside Heights, New Jersey	Electric Distributor
Jablonski	James A	Rep.'g Borough of South River, New Jersey	Electric Distributor
Jablonski	James A	Rep.'g Vineland Municipal Electric Utility	Electric Distributor
Johnson	Carl	Long Island Lighting Company d/b/a LIPA	Other Supplier
LaFalce	Michael	Public Service Electric & Gas Company	Transmission Owner
McDonald	Steve	Southern Maryland Electric Cooperative, Inc.	Electric Distributor
Miller	Don	FirstEnergy Solutions Corp.	Transmission Owner
O'Connell	Robert	J.P. Morgan Ventures Energy Corporation	Other Supplier
Orzel	Chris	NextEra Energy Power Marketing, LLC	Generation Owner
Perry	Jason	Vectren	Other Supplier
Plante	Matthieu	H.Q. Energy Services (U.S.), Inc.	Other Supplier
Pratzon	David	Exelon Generation Co., LLC	Transmission Owner
Quinlan	Pamela	Rockland Electric Company	Transmission Owner
Rainey	Frank	PEI Power Corporation	Generation Owner
Razze	Scott	Potomac Electric Power Company	Electric Distributor
Schofield	Bill	Rep.'g Buckeye Power, Inc.	Electric Distributor
Schofield	Bill	Rep.'g City of Dover, Delaware	Electric Distributor
Schofield	Bill	Rep.'g Illinois Municipal Electric Agency	Electric Distributor
Schofield	William	Rep.'g Blue Ridge Power Agency, Inc.	Electric Distributor
Schofield	William	Rep.'g Borough of Chambersburg	Electric Distributor
Schofield	William	Rep.'g Delaware Municipal Electric Corporation	Electric Distributor
Schofield	William	Rep.'g Easton Utilities Commission	Electric Distributor
Schofield	William	Rep.'g Energy Cooperative Association of Pennsylvania	Other Supplier
Schofield	William	Rep.'g Hagerstown Light Department	Electric Distributor
Schofield	William	Rep.'g Indiana Municipal Power Agency	Generation Owner
Schofield	William	Rep.'g Town of WilliamSPORT	Electric Distributor
Schofield	William	Rep.'g WPPI Energy	Other Supplier
Scoglietti	Barbara	Enerwise Global Technologies, Inc.	Other Supplier
Singh	Harry	J. Aron & Company	Other Supplier
Tatum	Ed	Old Dominion Electric Cooperative	Electric Distributor
Tatum	Ed	Rep.'g Direct Energy Business, LLC	Other Supplier
Tsingas	Steve	City Power Marketing	End-Use Customer
Wadsworth	Joe	Vitol Inc.	Other Supplier
Wolfe	Samuel	Viridity Energy, Inc.	Other Supplier
Owens	George	Downes Associates, Inc.	Other Supplier



Owens	George	Rep.'g Borough of Mont Alto, PA	Electric Distributor
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Non - Voting Members Present:

Last Name	First Name	Company Name	Sector
Ainspan	Malcolm	Energy Curtailment Specialists, Inc.	Other Supplier
Arce	Jose	Maple Analytics, LLC	Other Supplier
Batta	Michael	Virginia Electric and Power Company	Transmission Owner
Berg	William	Exelon Generation Co., LLC	Transmission Owner
Biden	Douglas	Electric Power Generation Association	Not Applicable
Binder	Gerry	SESCO Enterprises LLC	Other Supplier
Canter	David	AEP	Transmission Owner
Carretta	Kenneth	Public Service Electric and Gas Company	Transmission Owner
Cohen	Tristan	Federal Energy Regulatory Commission	Not Applicable
Decker	Jamie	Gridway Energy	End-Use Customer
Degeeter	Ralph	Public Service Commission of Maryland	Not Applicable
Erbrick	Michael	EDF Trading North America, LLC	Other Supplier
Feliks	Kent	American Electric Power	Transmission Owner
Filomena	Guy	Customized Energy Solutions, Ltd.*	Not Applicable
Galligan	Craig	FirstEnergy Solutions Corp.	Transmission Owner
Gilani	Rehan	ConEdison Energy, Inc.	Other Supplier
Gill	Richard	UGI Utilities, Inc.	Transmission Owner
Godfrey	Crissy	Public Service Commission of Maryland	Not Applicable
Guler	Teoman	J. Aron & Company	Other Supplier
Hastings	David	DhastCo	Not Applicable
Hewett	Christopher	Virginia Electric & Power Company	Transmission Owner
Huntoon	Stephen	NextEra Energy Power Marketing, LLC	Generation Owner
Hurwich	Mark	Elliott Bay Energy Trading, LLC	Other Supplier
Icart	Eric	Federal Energy Regulatory Commission	Not Applicable
Jain	Adarsh	Rockland Electric Company	Transmission Owner
Jeremko	Steven	New York State Electric & Gas Corporation	Other Supplier
Keefer	Brian	Dominion Energy Marketing, Inc.	Generation Owner
Knies	Heather	EDF Trading North America, LLC	Other Supplier
Kopon	Owen	Brickfield, Burchette, Ritts & Stone, P.C.	Not Applicable
Krauthamer	Michael	Public Service Commission of Maryland	Not Applicable
Lepchenske	Herb	RTP Controls, Inc.	Other Supplier
Lieberman	Steven	Old Dominion Electric Cooperative	Electric Distributor
Lindeman	Tony	FirstEnergy Solutions Corporation	Transmission Owner
Logan	Sharon	Federal Energy Regulatory Commission	Not Applicable
Maucher	Andrea	Delaware Divison of Public Advocate	Not Applicable
Minalga	Jason	Invenergy LLC	Generation Owner
Norton	Chris	American Municipal Power, Inc.	Generation Owner
Nowicki	Linda	New Jersey Board of Public Utilities	Not Applicable
Nuckols	Richard	Dominion Energy Marketing, Inc.	Generation Owner
O'Hern	Bill	RG Steel Sparrows Point LLC	End-Use Customer
Pakela	Greg	DTE Energy Trading, Inc.	Other Supplier
Patty	Sandra	MD DNR	Not Applicable
Riding	MQ	NAEA Ocean Peaking Power, LLC	Generation Owner



Ruch	Roger	FirstEnergy Solutions Corp.	Transmission Owner
Samulewicz	Lisa	Energy-Links, LLC	Other Supplier
Scheerer	Brian	Baltimore Gas and Electric Company	Transmission Owner
Shanker	Roy	H.Q. Energy Services (U.S.), Inc.	Other Supplier
Sherwood	Stacy	Public Service Commission of Maryland	Not Applicable
Siegrist	Hal	GenOn Energy Management, LLC	Generation Owner
Stadelmeyer	Rebecca	Exelon Generation Co., LLC	Transmission Owner
Stafford	Benjamin	Public Utilities Commission of Ohio	Not Applicable
Stuchell	Jeff	FirstEnergy Solutions Corp.	Transmission Owner
Tougas	Luke	Rockland Electric Company	Transmission Owner
Weaver	David	PECO Energy Company	Transmission Owner
White	John	Federal Energy Regulatory Commission	Not Applicable
Williams	Paul	ArcelorMittal USA LLC	End-Use Customer
Wilson	James	Wilson Energy Economics	Not Applicable

PJM Present:

Last Name	First Name	Company Name	Sector
Advena	Chris	PJM Interconnection	Not Applicable
Alesius	Alan	PJM Interconnection	Not Applicable
Austin	Larry	PJM Interconnection	Not Applicable
Bastian	Jeff	PJM Interconnection	Not Applicable
Bhavarju	Murty	PJM Interconnection	Not Applicable
Boston	Terry	PJM Interconnection	Not Applicable
Carroll	Rebecca	PJM Interconnection	Not Applicable
Daugherty	Suzanne	PJM Interconnection	Not Applicable
Dessender	Harry	PJM Interconnection	Not Applicable
Dolan	James	PJM Interconnection	Not Applicable
Dotter	Ray	PJM Interconnection	Not Applicable
Duane	Vince	PJM Interconnection	Not Applicable
Egan	Amanda	PJM Interconnection	Not Applicable
Falin	Tom	PJM Interconnection	Not Applicable
Ford	Adrien	PJM Interconnection	Not Applicable
Glazer	Craig	PJM Interconnection	Not Applicable
Herling	Steve	PJM Interconnection	Not Applicable
Horning	Lynn	PJM Interconnection	Not Applicable
Kendall	Ross	PJM Interconnection	Not Applicable
Langbein	Pete	PJM Interconnection	Not Applicable
Ma	Alex	PJM Interconnection	Not Applicable
Manion	Evelyn	PJM Interconnection	Not Applicable
McAnany	James	PJM Interconnection	Not Applicable
Moss	Tracy	PJM Interconnection	Not Applicable
Olaleye	Michael	PJM Interconnection	Not Applicable
O'Neill	Jack	PJM Interconnection	Not Applicable
Ott	Andrew	PJM Interconnection	Not Applicable
Schleiden	Jeanine	PJM Interconnection	Not Applicable
Schuyler	Ken	PJM Interconnection	Not Applicable
Schuyler	Ken	PJM Interconnection	Not Applicable



Schweizer	David	PJM Interconnection	Not Applicable
Sims	Mark	PJM Interconnection	Not Applicable
Souder	Dave	PJM Interconnection	Not Applicable
Ulmer	David	PJM Interconnection	Not Applicable
Williams	Jeff	PJM Interconnection	Not Applicable
Withrow	David	PJM Interconnection	Not Applicable

1. **ADMINISTRATION**

Minutes of the June 22, 2011 Markets and Reliability Committee (MRC) meeting were **approved** by acclamation without objection or abstention.

2. **PJM MANUALS**

A. Mr. Sims presented draft Manual 14B revisions to improve the power factor modeling of load in the CETL base cases. The proposed revisions were **endorsed** by acclamation with 12 objections and 3 abstentions.

3. **PRICE RESPONSIVE DEMAND (PRD)**

Ms. Horning presented the results of the MRC-PRD subgroup discussion since the April, 2011 PJM Board of Managers meeting. She indicated that stakeholders had provided issues associated with the original PJM Whitepaper, and that the consolidated issue list was used to guide discussion through a series of focused MRC-PRD meetings. The discussions at these meetings resulted in a collaborative solutions matrix regarding the elements of the original PJM Whitepaper that were at issue and included a package solution representing the majority views of the participants in the focused meetings. Ms. Horning discussed the content of the matrix package, which was considered to be the main motion. She also indicated that one alternative matrix had been received from the Independent Market Monitor (IMM) and posted with the materials for this meeting. That alternative was not moved or seconded. Following discussion, the main motion was **approved/endorsed** in a sector-weighted vote with 4.08 in favor.



4. **FERC ORDER 745**

Mr. Bresler updated the Committee regarding stakeholder discussion of PJM's compliance with the FERC final rule on Demand Response compensation (Order 745). He reviewed the matrix of design components and alternative solution packages that were developed. He also reviewed the results of voting that was held at the market Implementation Committee (MIC), and discussed the contents of the main motion. Mr. Campbell moved and seconded the Curtailment Service Providers' proposal. Mr. Miller moved and Mr. Citrolo seconded the Diversified Companies' proposal. Following discussion, the main motion **failed** in a sector-weighted vote with 2.99 in favor. The Diversified Companies' proposal **failed** in a sector-weighted vote with 1.61 in favor. The Curtailment Service Providers' proposal **failed** in a sector-weighted vote with 1.86 in favor.

5. **RPM RELATED ISSUES**

Ms. Ford discussed the status of the stakeholder process and future work plan regarding the various RPM related issues before the stakeholders and PJM. She reviewed the different subtopic issues and the meetings that had been held to identify concerns, interests and design components. She also reviewed the plan for upcoming subtopic meetings and the plan for development of related compliance filings.

6. **DEMAND RESOURCES IN REGULATION MARKET**

Mr. Dessender presented proposed Tariff and Operating Agreement revisions regarding the minimum registration requirements for Demand Resource participation in the Regulation and Synchronized Reserve Markets. Following discussion, the proposed revisions were **endorsed/approved** by acclamation with 0 objections and 0 abstentions.

7. **ALLOCATION OF EMERGENCY LOAD RESPONSE CHARGES**

PJM reviewed draft business rules that prevent any generators from being allocated Emergency



DR Costs when incurring instructed deviations by following PJM Dispatch. Following discussion, the proposed revisions were **approved** by acclamation with 0 objections and 0 abstentions.

8. COMBINED CYCLE CHANGE FOR SYNCHRONIZED RESERVE MARKET

Mr. Olaleye reviewed draft business rules to implement the approved problem statement regarding allowing the Synchronized Reserve Market to better recognize generator operating characteristics.

Dr. Bowring discussed concerns of the IMM regarding whether sufficient implementation rules had yet been developed, and whether other technologies should also be included in the proposal.

Members discussed the opportunity at a future date to bring a problem statement for expanded consideration. Following discussion, the proposed draft rule changes were **approved** with 5 objections and 5 abstentions.

9. ZERO COST FTR RULE CHANGE

Mr. Bresler reviewed a Zero Cost FTR rule change. He explained the characteristics and impact of Zero Cost FTRs, the details of the proposed rule change, and the need to approve the proposed revisions at this time. Mr. Singh discussed a concern related to the ability to purchase or sell FTRs on certain paths due to outages of facilities that last longer than the full period of the FTR auction.

Following discussion, the proposed draft rule changes were **approved** with 2 objections and 2 abstentions.

10. AC2 IMPLEMENTATION PLAN

Mr. D. Souder presented the AC2 Migration and Go-Live Communication Plan. He discussed an overview of the timeline, the migration window and go-live date selection, AC2 cutover sequence, Member impact and the communication plan.

11. LOAD MANAGEMENT TASK FORCE ITEMS



Mr. Langbein reviewed the final LMTF recommended changes to implement a change to the Demand Response (DR) registration timeline and to change the bill timing for Limited DR emergency event penalties (to make them more consistent with current test penalty timing). The Committee will be asked to endorse the draft language revisions at its next meeting.

12. REGIONAL PRACTICE CHANGES FOR THE SPOT-IN ISSUE

Mr. Advena reviewed changes to transmission service calculations to address the Spot-In issue. He discussed updates to the proposed Regional practice changes based on discussions with Progress Energy and MISO Energy regarding potential loop flows on their systems. He noted that draft ATC ID changes would be brought to the committee for approval at a future meeting.

13. CETO STUDY CRITERION

Mr. Falin discussed the 1 in 25 Loss of Load Expectation (LOLE) criterion used in CETO studies. He noted discussion at the June 22, 2011 MRC meeting during which a request had been made for presentation of the current processes and historical information on the evolution of these processes. He discussed the update to the methodology developed by the MAAC ACC in 1996, and its relationship to standard BAL-502-RFC-02. Mr. Kormos noted that Members may develop a problem statement to address any future consideration of potential changes to the criterion.

14. LOST OPPORTUNITY FOR WIND

Mr. Ma reviewed a proposal regarding Lost Opportunity Cost for wind resources resulting from discussions at the Intermittent Resource Task Force. He noted the current methodology, proposed new methodology and proposed Tariff and Operating Agreement revisions. Dr. Bowring discussed an alternative proposal of the IMM related limiting opportunity cost compensation to Capacity Interconnection Rights levels, and to extend this concept to all generation resource types.



Members discussed the opportunity to bring a problem statement to a future meeting regarding extending this concept to all generation resource types. The Committee will be asked to endorse the draft language revisions at its next meeting.

15. STARTUP & NOTIFICATION TIME

Mr. Tam provided an update on the activities of the Operating Committee and the Market Implementation Committee with respect to the MRC's charge related to startup and notification times. He indicated that an MIC subgroup addressing the issue was developing a collaborative solutions matrix, and expected to complete its activities for consideration of the MIC at its October 2011 meeting.

16. GOVERNANCE ASSESSMENT SPECIAL TEAM (GAST)

Mr. Horstmann discussed a proposed change developed by the GAST as part of its Phase IIB efforts related to the scheduling of MRC and Members Committee (MC) meetings. He noted that the proposal would have both the MRC and MC meetings held on the same day, nine times per year. He noted that this proposal was expected to reduce the calendar time needed to move an issue through the senior committees. He also noted that this proposal was part of the larger GAST Phase IIB proposal package that was expected to be voted upon at the MC's September 22, 2011 meeting.

17. REPORTS

The following reports were posted for information and will not be presented at the meeting. There was opportunity for questions on the reports.

- A. Eastern Interconnection Planning Collaborative (EIPC)
- B. Duke Energy Integration Report



- C. Transmission Expansion Projects
- D. Regional Planning Process Task Force (RPPTF)
- E. Interconnection Process Sr. Task Force (IPSTF)
- F. Cost Development Subcommittee
- G. Operating Committee (OC)
- H. Market Implementation
- I. Planning Committee (PC)
- J. Regulation Performance Sr. Task Force (RPSTF)

18. RPM SENSITIVITY ANALYSIS

Mr. Bastian discussed the scenarios suggested by Members to be included in the sensitivity analysis of the 2014/2015 RPM Base Residual Auction results. He noted that approximately 66 different request had been made that would entail approximately 100 different simulations. Mr. Bastian indicated that these had been consolidated into a PJM suggested list of approximately 36 simulations. These simulations were expected to be completed in approximately 2 months.

19. FUTURE AGENDA ITEMS

20. FUTURE MEETINGS

2011

August 17, 2011	9:30 AM	Wilmington, DE
September 15, 2011	9:30 AM	Wilmington, DE
October 12, 2011	9:30 AM	Wilmington, DE
November 16, 2011	9:30 AM	Wilmington, DE
December 22, 2011	9:30 AM	Wilmington, DE

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