



DRAFT
Minutes
PJM Interconnection
Markets and Reliability Committee
Conference Call and WebEx
May 22, 2012
1:00 p.m. – 4:00 p.m.

Chair/Secretary:

| | | | |
|--------|------------|--------------------------|----------------|
| Anders | Dave | PJM Interconnection, LLC | Not Applicable |
| Kormos | Michael J. | PJM Interconnection, LLC | Not Applicable |

Voting Members Present:

| Last Name | First Name | Company | Sector |
|-----------|------------|--|----------------------|
| Batta | Michael | Virginia Electric & Power Company | Transmission Owner |
| Bleiweis | Bruce | DC Energy LLC | Other Supplier |
| Brodbeck | John | Shell Energy North America (US), LP | Other Supplier |
| Bruce | Susan | Rep.'g Air Liquide Industrial U.S., LP | End Use Customer |
| Bruce | Susan | Rep.'g Air Products & Chemicals, Inc. | End Use Customer |
| Bruce | Susan | Rep.'g Castlebridge Energy Group, LLC | Other Supplier |
| Bruce | Susan | Rep.'g Gerdau Ameristeel Energy, Inc. | Other Supplier |
| Bruce | Susan | Rep.'g Industrial Energy Users-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 | Electric Distributor |
| Bruce | Susan | Rep.'g Linde LLC | 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 & Gamble Paper Products Company (The) | End Use Customer |
| Bruce | Susan | Rep.'g RG Steel Sparrows Point, LLC | End Use Customer |
| Bruce | Susan | Rep.'g Sunoco, Inc. (R&M) | End Use Customer |
| Bruce | Susan | Rep.'g Trustees of the U of PA, dba University of Pennsylvania | End Use Customer |
| Bruce | Susan | Rep.'g Wellsboro Electric Company (pre-2008) | Electric Distributor |
| Campbell | Bruce | EnergyConnect, Inc. | Other Supplier |
| Citrolo | John | PSEG Energy Resources and Trade LLC | Transmission Owner |
| Consoli | Dannine | Energy Curtailment Specialists, Inc. | Other Supplier |
| Ellis | Jeff | Edison Mission Marketing & Trading, Inc. | Generation Owner |
| Esposito | Patricia | NRG Power Marketing LLC | Generation Owner |
| Flaherty | Dale | Duquesne Light Company | Transmission Owner |
| Gates | Kenneth | Rep.'g Atlantic Grid Operations A, LLC | Other Supplier |
| Gates | Kenneth | Rep.'g Primary Power LLC | Other Supplier |
| Gil | David | NextEra Energy Power Marketing, LLC | Generation Owner |
| Gilani | Rehan | ConEdison Energy, Inc. | Other Supplier |



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| Griffiths | Daniel | Enerwise Global Technologies, Inc. | Other Supplier |
| Hebert | Damase | Rep.'g Covanta Energy Group, Inc. | Generation Owner |
| Hebert | Damase | Rep.'g Jersey Green Energy LLC | Other Supplier |
| Hebert | Damase | Rep.'g RC Cape May Holdings, LLC | 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 | Rep.'g Borough of Butler, Butler Electric Division | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Lavallette, New Jersey | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Madison, New Jersey | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Milltown | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Park Ridge, New Jersey | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Pemberton | Electric Distributor |
| Jablonski | James | Rep.'g Borough of Seaside Heights, New Jersey | Electric Distributor |
| Jablonski | James | Rep.'g Borough of South River, New Jersey | Electric Distributor |
| Jablonski | James | Rep.'g Vineland Municipal Electric Utility | Electric Distributor |
| Jennings | Kenneth | Duke Energy Business Services LLC | Generation Owner |
| Johnson | Carl | Long Island Lighting Company d/b/a LIPA | Other Supplier |
| Lieberman | Steven | Old Dominion Electric Cooperative | Electric Distributor |
| Long | Scott | Allegheny Electric Cooperative, Inc. | Transmission Owner |
| Miller | Don | FirstEnergy Solutions Corporation | Transmission Owner |
| Owens | George | Downes Associates, Inc. | Other Supplier |
| Owens | George | Rep.'g Mont Alto, PA (Borough of) | Electric Distributor |
| Owens | George | Rep.'g Thurmont, MD (Town of) | Electric Distributor |
| Pakela | Greg | DTE Energy Trading, Inc. | Other Supplier |
| Schofield | William | Rep.'g American Municipal Power, Inc. | Electric Distributor |
| Schofield | William | Rep.'g Blue Ridge Power Agency, Inc. | Electric Distributor |
| Schofield | William | Rep.'g Borough of Chambersburg (DTEET) | Electric Distributor |
| Schofield | William | Rep.'g Buckeye Power, Inc. | Electric Distributor |
| Schofield | William | Rep.'g Central Virginia Electric Cooperative | Electric Distributor |
| Schofield | William | Rep.'g City of Dover, Delaware | 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 PA | Other Supplier |
| Schofield | William | Rep.'g Hagerstown Light Department | Electric Distributor |
| Schofield | William | Rep.'g Illinois Municipal Electric Agency | Electric Distributor |
| Schofield | William | Rep.'g Indiana Municipal Power Agency | Generation Owner |
| Schofield | William | Rep.'g Madison Gas & Electric Company | Other Supplier |
| Schofield | William | Rep.'g Northern Virginia Electric Cooperative (NOVEC) | Electric Distributor |
| Schofield | William | Rep.'g Williamsport, MD (Town of) | Electric Distributor |
| Schofield | William | Rep.'g WPPI Energy | Other Supplier |
| Scoglietti | Barbara | Tangent Energy Solutions, Inc. | Other Supplier |
| Seelaus | Timothy | EMC Development Company, Inc. | Other Supplier |
| Seymour | Melissa | IBERDROLA RENEWABLES, Inc. | Generation Owner |
| Stadelmeyer | Rebecca | Exelon Generation Co., LLC | Transmission Owner |
| Weber | Sharon | PPL EnergyPlus, L.L.C. | Transmission Owner |
| Wolfe | Samuel | Viridity Energy, Inc. | Other Supplier |



Non-Voting Attendees:

| Last Name | First Name | Company | Sector |
|-----------|-------------|---|--------------------|
| Barker | Jason | Baltimore Gas and Electric Company | Transmission Owner |
| Berlinski | Michael | Beacon Power Corporation | Other Supplier |
| Biden | Douglas | Electric Power Generation Association | Not Applicable |
| Bloom | David | Baltimore Gas and Electric Company | Transmission Owner |
| Burner | Robert | Duke Energy Business Services, Inc. | Generation Owner |
| Burns | Wil | Burns Law Firm | Not Applicable |
| Carmean | Gregory | Maryland Public Service Commission | Not Applicable |
| Chappelle | Laura | Perkins Coie | Not Applicable |
| Dean | Gary | South Jersey Energy Company | Other Supplier |
| Degeeter | Ralph | Maryland Public Service Commission | Not Applicable |
| Elliott | Tia | Indiana Utility Regulatory Commission | Not Applicable |
| Ellis | Jeff | Edison Mission Marketing & Trading, Inc. | Generation Owner |
| Erbrick | Michael | EDF Trading North America, LLC | Other Supplier |
| Fernandes | John | Baltimore Gas and Electric Company | Transmission Owner |
| Filomena | Guy | Customized Energy Solutions, Ltd.* | Not Applicable |
| Freeman | Al | Michigan Public Service Commission | Not Applicable |
| Giles | Steve | Allegheny Electric Cooperative, Inc. | Transmission Owner |
| Greening | Michele | PPL EnergyPlus, L.L.C. | Transmission Owner |
| Hamilton | Brian | North American Electric Reliability Corporation | Not Applicable |
| Hamilton | T.L. | Platts | Not Applicable |
| Hastings | David | DhastCo, LLC | Not Applicable |
| Heizer | Fred | Ohio PUC | Not Applicable |
| Hitch | George | Dominion Energy Marketing, Inc. | Generation Owner |
| Hoag | Richard | Allegheny Power (Warrior Run) | Not Applicable |
| Holden | Yuling | Public Service Electric & Gas Company | Transmission Owner |
| Howatt | Robert | Maryland Energy Administration | Not Applicable |
| Howley | Rachel | Hess Corporation | Other Supplier |
| Huntoon | Stephen | NextEra Energy Power Marketing, LLC | Generation Owner |
| Huntoon | Stephen | NextEra Energy Power Marketing, LLC | Generation Owner |
| Jett | William | Duke Energy Business Services, Inc. | Generation Owner |
| Keefer | Brian | Dominion Energy Marketing, Inc. | Generation Owner |
| Kogut | George | FirstEnergy Solutions Corporation | Transmission Owner |
| Kopon | Owen | Brickfield, Burchette, Ritts & Stone, P.C. | Not Applicable |
| Lafalce | Michael | Public Service Electric & Gas Company | Transmission Owner |
| Liao | Huaiwei | Louis Dreyfus Energy Services, L.P. | Other Supplier |
| Lindeman | Tony | FirstEnergy Solutions Corp. | Transmission Owner |
| Mahon | Christopher | FERC | Not Applicable |
| Mancuso | Maria | Baltimore Gas and Electric Company | Transmission Owner |
| McDonald | Steve | Customized Energy Solutions, Ltd.* | Not Applicable |
| McNamara | Grace | Louis Dreyfus Energy Services, L.P. | Other Supplier |
| Moore | John | The Sustainable FERC Project | Not Applicable |
| Nowicki | Linda | New Jersey Board of Public Utilities | Not Applicable |
| Patty | Sandra | Maryland Department of Natural Resources | Not Applicable |
| Pratzon | David | Exelon Generation Co., LLC | Transmission Owner |



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| Rohrbach | John | Rep.'g Southern Maryland Electric Cooperative | Electric Distributor |
| Rohrbach | John | Rep.'g Southern Maryland Electric Cooperative | Electric Distributor |
| Schafer | Anita | Duke Energy Business Services LLC | Generation Owner |
| Schwartz | Desiree | Rockland Electric Company | Transmission Owner |
| Razze | Scott | Potomac Electric Power Company | Electric Distributor |
| Scott | Charles | DC Energy, L.L.C. | Other Supplier |
| Shanker | Roy | H.Q. Energy Services (U.S.), Inc. | Other Supplier |
| Siegrist | Hal | GenOn Energy Management, LLC | Generation Owner |
| Sifton | Brian | Black and Veatch | Not Applicable |
| Terelmes | Steve | Ameren Energy Marketing Company | Other Supplier |
| Todd | Allen | Downes Associates, Inc. | Other Supplier |
| Wilson | James | Wilson Energy Economics | Not Applicable |
| Yu | Haibin | Calpine Energy Services, L.P. | Generation Owner |

PJM Attendees:

| Last Name | First Name | Company | Sector |
|------------|------------|--------------------------|----------------|
| Berner | Aaron | PJM Interconnection, LLC | Not Applicable |
| Bresler | Stu | PJM Interconnection, LLC | Not Applicable |
| Bryson | Michael | PJM Interconnection, LLC | Not Applicable |
| Ciabattoni | Joe | PJM Interconnection, LLC | Not Applicable |
| Cummings | Bridgid | PJM Interconnection, LLC | Not Applicable |
| Egan | Amanda | PJM Interconnection, LLC | Not Applicable |
| Eichorn | Sarah | PJM Interconnection, LLC | Not Applicable |
| Elmy | Alan | PJM Interconnection, LLC | Not Applicable |
| Ennis | Brad | PJM Interconnection, LLC | Not Applicable |
| Esterly | Teri | PJM Interconnection, LLC | Not Applicable |
| Foley | Sheila | PJM Interconnection, LLC | Not Applicable |
| Habre | Alex | PJM Interconnection, LLC | Not Applicable |
| Hauske | Thomas | PJM Interconnection, LLC | Not Applicable |
| Horger | Tim | PJM Interconnection, LLC | Not Applicable |
| Horning | Lynn | PJM Interconnection, LLC | Not Applicable |
| Kimmell | David | PJM Interconnection, LLC | Not Applicable |
| Langbein | Pete | PJM Interconnection, LLC | Not Applicable |
| Manion | Evelyn | PJM Interconnection, LLC | Not Applicable |
| Schmitt | Jeff | PJM Interconnection, LLC | Not Applicable |
| Schweizer | David | PJM Interconnection, LLC | Not Applicable |
| Ulmer | David | PJM Interconnection, LLC | Not Applicable |
| Walter | Laura | PJM Interconnection, LLC | Not Applicable |

ADMINISTRATION

Mr. Anders welcomed and reminded participants of Anti-trust and Code of Conduct requirements. Mr. Bresler discussed updated plans for a previously discussed planned section 206 FERC filing related to facilities used in the marginal loss calculation. He indicated that the filing would be made by June 1, 2012.

ENDORSEMENTS/APPROVALS

1. ADMINISTRATION



Minutes of the April 26, 2012 Markets and Reliability Committee (MRC) meeting were **approved** by acclamation with no objections or abstentions.

2. PJM MANUALS

- A. Mr. Elmy reviewed proposed changes to Manual 14A - Generation and Transmission Interconnection Process regarding the interconnection process as required by the IPSTF.
- B. Mr. Elmy reviewed proposed changes to Manuals 14A - Generation and Transmission Interconnection Process and 14C - Generation and Transmission Interconnection Facility Construction to better align the manual language with the PJM Tariff.
- C. Ms. Eichorn presented proposed manual language for Manual 11 – Energy and Ancillary Services Market Operations §3.2 PJM Regulation Market Business Rules describing what the energy limited ramp rate is and how it will be applied. He will also review a tentative timeline of Performance Based Regulation Implementation.
- D. Ms. Eichorn reviewed draft revisions to Manual 27 – OATT Accounting, which add black start cost recovery methods in order to align the manual with current OATT language. Mr. Burner requested that liquid propane storage be added to the list of applicable revenue requirements. Since this is not included in the current Tariff language, this was not added to the proposed Manual revisions. Mr. Kormos noted that a proposal to update the Tariff to include liquid propane storage will be added to the agenda for the next meeting of the committee.

Following discussion, the MRC **endorsed** the proposed revisions in items 2A-D by acclamation with no objections or abstentions.

3. INTERCONNECTION PROCESS SENIOR TASK FORCE

Mr. Berner presented proposed Tariff Revisions prepared by the Interconnection Process Senior Task Force related to Timing of Transmission Owners Executing Interconnection Agreements, Alternate Queue study timing, a requirement for PJM to provide the transmission owners with agreements when tendered to the customers and small generator study deposit changes. Following discussion, the proposed revisions were **endorsed** by acclamation with no objections or abstentions.

4. QUALITY PROJECT PROCESS IMPROVEMENTS

This item was deferred to the next meeting of the committee.

5. RPM RELATED ISSUES

Mr. Anders discussed the proposed problem statement and charge related to longer-term Demand Response related RPM issues submitted by stakeholders for consideration in future stakeholder process activities. Ms. Bruce presented a proposed alternative problem statement and charge developed by the PJM Industrial Customer Coalition (PJMICC). Mr. Anders clarified that two votes would be taken – one on the problem statement (i.e. whether the issue would be undertaken), and if the problem statement was approved, a vote would be taken on the charge (including the specific work activities to be included). Following discussion, these votes were deferred to the next meeting of the committee.

FIRST READINGS

1. PJM MANUALS

- A. Mr. Schweizer reviewed proposed revisions to Manual 14D - Generator Operational Requirements addressing the use of the short-term wind power forecast for the lost opportunity cost calculation and the deletion of black start cost components from black start replacement section.
- B. Mr. Schweizer reviewed proposed manual revisions supporting the unit notification and startup time proposal endorsed by the MRC at the March meeting.
- C. Mr. Schweizer reviewed proposed revisions to Manual 39 – Nuclear Plant Interface Coordination.



- D. Mr. Ciabattoni reviewed proposed revisions to Manual 13 – Emergency Operations resulting from the annual review of the manual.
- E. Mr. Ciabattoni reviewed proposed revisions to Manual 12 – Balancing Operations resulting from the annual review of the manual.
- F. Mr. Kimmel presented proposed revisions for Manual 12 – Balancing Operations §4.6 Black Start Service and proposed revisions for the Black Start Test Report form used for sending test results to PJM Performance Compliance.
- G. Ms. Cummings reviewed proposed revisions to Manual 6 – Financial Transmission Rights which collectively implement previously approved FTR related rule changes.
- H. Mr. Langbein reviewed conforming changes to select demand response passages in Manual 19 – Load Forecasting and Analysis and Manual 35 – Definitions and Acronyms.
- I. Ms. Esterly reviewed conforming changes to Manual 18 – PJM Capacity Market.
- J. Ms. Walter reviewed proposed revisions to Manual 15 – Cost Development regarding the definition of Immature Units.
- K. Ms. Walter reviewed proposed revisions to Manual 15 – Cost Development regarding the CC and CT Overhaul Cost Recovery.

The committee will be asked to endorse all of these proposed revisions at its next meeting.

2. PRICE RESPONSIVE DEMAND

Ms. Horning reviewed the recent FERC order related to PRD. In addition she discussed compliance filing requirements. She noted that stakeholder discussion related to the compliance requirements would be held at upcoming Market Implementation Committee meetings.

FUTURE AGENDA ITEMS

FUTURE MEETINGS

| | | |
|--------------------|---------|----------------|
| June 28, 2012 | 9:00 AM | Wilmington, DE |
| July 26, 2012 | 9:00 AM | Wilmington, DE |
| August 23, 2012 | 9:00 AM | Wilmington, DE |
| September 27, 2012 | 9:00 AM | Wilmington, DE |
| October 25, 2012 | 9:00 AM | Wilmington, DE |
| November 29, 2012 | 9:00 AM | Wilmington, DE |
| December 20, 2012 | 9:00 AM | Wilmington, DE |

Author: D.A. Anders
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