



**DRAFT**  
**PJM Interconnection**  
**Market Monitoring Advisory Committee**  
**Minutes of the 6<sup>th</sup> Meeting**  
**The Double Tree Hotel**  
**Wilmington, DE**  
**December 8, 2006**  
**10: 00 A.M.**

**Members Present:**

Bowring, Joseph	PJM Interconnection, L.L.C.
Paulson, Erik	Customized Energy Solutions, Ltd.
Horstmann, John	The Dayton Power & Light Company
Haymes, Alan	Federal Energy Regulatory Commission
Scarpignato, David J.	Old Dominion Electric Cooperative
Haas, Howard	PJM Interconnection, L.L.C.
Mayes, Jeffrey W.	PJM Interconnection, L.L.C.
Ott, Andy	PJM Interconnection, L.L.C.
Bruce, Susan E.	McNees, Wallace & Nurick L.L.C.

**Present via Conference Call:**

Bradley, Beth	ACES Power Marketing
Vennes, Yannick	H.O. Energy Services (U.S.), Inc.
Hanson, Mark	Illinois Commerce Commission
Rismiller, Randy	Illinois Commerce Commission
Wisersky, Megan	Madison Gas & Electric Company
Campbell, Bruce E.	Mirant Potomac River, L.L.C.
Hyzinski, Thomas	PPL EnergyPlus, LLC

**1. INTRODUCTION**

The telephone attendance sign up sheet from the last meeting was introduced.

Participants were invited to indicate whether or not they were in attendance via telephone at the last meeting.



## 2. APPROVE DRAFT MINUTES OF THE DECEMBER 8, 2005 MEETING

Minutes of the December 8, 2005 meeting were approved as written.

Bruce Campbell noted his concern about the lack of specificity in the meeting minutes from the last meeting.

## 3. SELECT VICE CHAIR

Mr. Bowring requested a volunteer for Vice Chair, as required by the charter. David Scarpignato (Old Dominion Electric Cooperative) volunteered. Motion was seconded and approved unanimously. David Scarpignato recognized as the Vice Chair of the MMAC.

## 4. REVIEW OF SCOPE OF MONITORING PLAN FOR 2007

Mr. Bowring presented the MMU draft scope of work for 2006 for specific focus areas beyond the ongoing monitoring of PJM markets. Mr. Bowring requested members' ideas on specific areas for additional monitoring and analysis.

- A. Examination of DSR was requested.
- B. Randy Rismiller: More formal approach to DSR monitoring.
- C. Additional analysis and explanation of how LMPs are determined including more thorough review of results in the Market's 120 day report.
- D. John Horstmann: Develop and implement monitoring and compliance reporting for PJM energy and ancillary markets operational procedures and rules including PJM system operations and PJM market operations. Goals:
  1. Monitor and report efficiency effectiveness improvements from ongoing reserve market changes.
  2. Increase operational decision making transparency to market participants to increase understanding of PJM decision making and ensure sound market participant operational responses.
  3. Monitor PJM Day-Ahead and Real-Time operations for compliance with tariff and internal procedures.
    - a. Develop public reports as appropriate.
    - b. Spot audit periods of operational actions during peak system conditions.
  4. Develop a plan in 2007 to establish a set of market specific goals for 2008 and beyond for market participants to collectively reach acceptable levels of



competition to reduce the frequency of price mitigation of markets to ensure competitive market outcomes.

- E. David Scarpignato : Monitor the infrastructure for robust competition:
  - 1. Transmission and effect on congestion, capping.
  - 2. Possible exercise of market power in transmission planning (in transmission owner initiated projects, with transmission owner favoring affiliates with project choice). In RTEP utility determines siting.
    - a. There should be MMU oversight of these decisions to ensure no favoritism.
- F. Bob O'Connell: Examine local scarcity and associated price signals for investment.
- G. Susan Bruce (PJMICC):
  - 1. MMU examination of competitiveness of new entry under RPM.
  - 2. Review of the effectiveness of existing market power mitigation rules.
  - 3. Assessment of the process the MMU employs to detect physical withholding, particularly among CTs during peak periods.
  - 4. Examining transmission planning market power as suggested by David Scarpignato.
- H. Bruce Campbell: Examine reasons for and impact of self scheduling on prices.
- I. Rick Douglass: Cost Development Task Force should address the inclusion of gas pipeline firm capacity and storage costs in the definition of variable costs.
- J. Thomas W Hyzinski: Examine scarcity pricing and pricing during periods of high demand.

## 5. SOLICIT FEEDBACK FROM MEMBERS

Mr. Bowring solicited opinions regarding any other subjects of interest.

## 6. FUTURE MEETINGS

A date for the next meeting was not set.