



MINUTES
PJM Interconnection
Market Implementation Committee
The Chase Center
Wilmington, DE
April 13, 2010

Members in Attendance:

Dessender, Harry (Chair)	PJM Interconnection
Galligan, Craig	Allegheny Energy Supply Company, L.L.C.
Horton, Dana	Appalachian Power Company
Harman, Stacey	Baltimore Gas and Electric Company
Judson, Judith	Beacon Power Corporation
Barker, Jason	Constellation Energy Commodities Group, Inc.
Bursaw, Christopher	CP Energy Marketing (US) Inc.
Rutigliano, Tom	CPower, Inc.
Whitehead, Jeffrey	Customized Energy Solutions, Ltd.*
Steigerwald, David	Customized Energy Solutions, Ltd.*
Horstmann, John	Dayton Power & Light Company (The)
Bleiweis, Bruce	DC Energy LLC
Pakela, Gregory	DTE Energy Trading, Inc.
Ellis, Jeffrey	Edison Mission Marketing and Trading, Inc.
Schisler, Ken	EnerNOC, Inc.
Pratzon, David	Exelon Generation Co., LLC
Benckek, Jim	FirstEnergy Solutions Corp.
Sobieski, Dennis	Hess Corporation
Cromarty, Chloe	IPA Trading, LLC
O'Connell, Robert	J.P. Morgan Ventures Energy Corporation
Bradley, Dan	Long Island Lighting Company dba LIPA
Siegirst, Hal	Mirant Potomac River, LLC
Applebaum, David	NextEra Energy Power Marketing, LLC
Orzel, Chris	NextEra Energy Power Marketing, LLC
Parikh, Lope	Old Dominion Electric Cooperative
Kafka, Richard	Potomac Electric Power Company
Razze, Scott	Potomac Electric Power Company
Greening, Michele	PPL Energy Plus, LLC
Hyzinski, Tom	PPL Energy Plus, LLC
Fuess, Jay	Premcor Refining Group, Inc. (The)
Philips, Marji	PSEG Energy Resources and Trade LLC
Hanley, Bill	RRI Energy Services, Inc.
Coyne, Suzanne (Secretary)	PJM Interconnection

Also in Attendance:

Urbin, Greg	Baltimore Gas & Electric
Mabry, David	McNees Wallace & Nurick LLC
Mayes, Jeff	Monitoring Analytics, LLC
Scarpignato, David	Old Dominion Electric Cooperative
Bresler, F. Stuart	PJM Interconnection
Bryson, Michael	PJM Interconnection
Forrest, Joseph	PJM Interconnection



Loomis, Harold
McNamara, Sean
Miehlke, Tracy
Zadlo, Thomas
Horning, Lynn
Souder, David
Bastian, Jeff
Langbein, Peter
Anders, David
Burnley, Helen

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Attended via Teleconference:

Hubbard, Lance
Barnes, Tom
Conley, Lawrence
Mount, Colin
McPherson, Ted
Bloom, David
McDaniel, John
Picard, Serge
Bassett, Jeffrey
Kruse, Brett
Bearden, Joel
Verderame, John
Yoho, Lisa
Kremer, Kathleen
Miller, John
Kazerooni, Hamid
Gilani, Rehan
Feldman, Brett
Kuhn, Tyler
Maucher, Andrea
Stewart, Courtney
Hirsch, Stephen
Burner, Bob
Metzger, Mark
Fahey, Reem
Mitchell, Chris
Pieniazek, Marie
Breidenbaugh, Aaron
Scoglietti, Barbara
Tackett, Nicholas
Cohen, Tristan
Everngam, Scott
Icart, Eric
Huff, Gerald
Marton, Dave
Miller, Don
Stansky, Michael
Shanker, Roy
Chen, Alan
Guerry, Katie
Hanson, Mark
Rismiller, Randy

Allegheny Electric Cooperative, Inc.
Allegheny Energy Supply Company, L.L.C.
Allegheny Energy Supply Company, L.L.C.
Allegheny Energy Supply Company, L.L.C.
Allegheny Power
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
Black Oak Energy, LLC
BP Energy Company
Calpine Energy Services, L.P.
Cargill Power Markets LLC
Carolina Power & Light Company
Citigroup Energy, Inc.
Commonwealth Edison Company
Commonwealth Edison Company
Conectiv Energy Supply, Inc.
ConEdison Energy, Inc.
Constellation NewEnergy, Inc.
DC Energy LLC
Delaware Public Service Commission
Delaware Public Service Commission
Downes Associates, Inc.
Duke Energy Carolinas, LLC
Duquesne Light Company
Edison Mission Marketing and Trading, Inc.
Energy Authority, Inc. (The)
Energy Curtailment Specialists, Inc.
EnerNOC, Inc.
Enerwise Global Technologies, Inc.
Federal Energy Regulatory Commission
FERC
FERC
FERC
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
H.Q. Energy Services (U.S.), Inc.
HEEP Fund Inc
Hess Corporation
Illinois Commerce Commission
Illinois Commerce Commission



Lieberman, Steven
Meridionale, Kevin
Liao, Huaiwei
Barker, Daryn
Chapman, Mike
Lee, Michael
Freeman, Al
Hammer, Neil
Helmick, Doug
Nowicki, Linda
Huntoon, Steve
Maye, Shelly-Ann
Summe, Martin
Donovan, Brendan
Edmonds, Brian
Mariam, Yohannes
Harper, Stacia
Heizer, Fred
Sikstrom, Matt
Snowberger, Yasmin
Evrard, David
Egan, Amanda
Esterly, Terri
Schleiden, Jeanine
Walter, Laura
Williams, Jeff
Heimbach, Mark
Hebson, Jim
LaFalce, Michael
Braulke, George
Hoatson, Thomas
Fan, Chris
Quinlan, Pamela
Ramlatchan, Deepak
Fitch, Neal
Merola, Becky
Trayers, Barry
O'Hern, William
Scott, Ann
Asare, Partick
Wood, Avana
Dupeire, Michael
Batta, Michael
Berger, Ken
Safaraliev, Mehrubon
Hopkins, Brenda
Kingston, Amber
Martin, Beth

IPA Trading, LLC
Jersey Central Power & Light Company
Louis Dreyfus Energy Services, L.P.
Louisville Gas and Electric Company/Kentucky Utilities Company
Magnolia Energy L.P.
Maryland Public Service Commission
Michigan Public Service Commission
MidAmerican Energy Company
Monongahela Power Company d/b/a Allegheny Power
New Jersey Board of Public Utilities
NextEra Energy Power Marketing, LLC
North America Power Partners LLC
North Carolina Municipal Power Agency Number 1
Northern Indiana Public Service Company
Office of the People's Counsel for the District of Columbia
Office of the People's Counsel for the District of Columbia
Ohio Consumers' Counsel
Ohio PUC
Ontario Power Generation Inc.
PA PUC
Pennsylvania Office of Consumer Advocate
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PJM Interconnection
PPL Martins Creek, L.L.C.
PSEG Energy Resources and Trade LLC
PSEG Energy Resources and Trade LLC
RC Cape May Holdings, LLC
Riverside Generating, LLC
Rockland Electric Company
Rockland Electric Company
Rockland Electric Company
RRI Energy Services, Inc.
Sempra Energy Solutions
Sempra Energy Trading, LLC
SeverStal Sparrows Point LLC
Tenaska Power Services Co.
UGI Energy Services, Inc.
UGI Utilities, Inc.
Ventyx
Virginia Electric & Power Company
Virginia Electric & Power Company
Virginia Electric & Power Company
Wabash Valley Power Association, Inc.
Wabash Valley Power Association, Inc.
Wisconsin Electric Power Company

1. ADMINISTRATION

The Committee approved the minutes of the March 10, 2010 meeting.



2. PJM MANUALS

- A. Mr. Bresler presented draft revisions to Manual 09: PJM eSchedules, Manual 11: Scheduling Operations, and Manual 18: PJM Capacity Market pursuant to the counterparty clarification initiative approved by the MC at its March 25th meeting. **The Committee endorsed the proposed manual revisions with 0 opposed and 1 abstention.**
- B. Ms. Miehke presented draft revisions to Manual 33: Administrative Services for the PJM Interconnection Operating Agreement to incorporate changes to Section 2 – Qualifications of PJM Membership and Section 5 – Dispute Resolution. **The Committee endorsed the proposed manual revisions with 0 opposed and 0 abstentions.**

3. ENERGY STORAGE RESOURCES STATION POWER DEFINITION

Mr. Pincus presented proposed tariff and manual changes to clarify that specific energy storage resources are excluded from the definition of station power. The Operating Agreement and Tariff changes include a new definition of Energy Storage Resources in Section 1.3.1G. **The Committee endorsed the proposed changes with 0 opposed and 4 abstentions.** The proposal will be presented at the April 21st Markets and Reliability Committee, the April 29th Tariff Advisory Committee, and the June 3rd Members Committee meeting for approval.

4. BLACK START SERVICE WORKING GROUP: NERC CIP OPTIONS AND CAPITAL COST RECOVERY – 2010 ITEMS

Mr. Bryson provided an update on the Black Start Service Working Group, BSSWG, charter initiatives. The BSSWG has reached consensus on charter item a) explore proposals for unit owners to use the energy capability of units in the formula rate and charter item d) explore proposals to review tariff language for 2 year rolling commitments. The BSSWG concluded the current tariff language is acceptable and no further action is required.

Mr. Bryson presented the PJM proposed approach to address annual Automated Formula Rate adjustments for CONE through PJM settlements, rather than a resubmission (BSSWG charter item b). Mr. Bryson reviewed the Manual 12 manual revisions for the Automated Formula Rate Adjustment Process with a proposed implementation date of June 1, 2010. **The Committee endorsed the proposed manual revisions with 0 opposed and 1 abstention.**

The BSSWG will continue to discuss charter items c) CIP costs additive to existing rates and charter item e) elimination of accelerated CRF refund for FERC rates with a target completion date of June 30, 2010.

5. LOAD MANAGEMENT TASK FORCE

Mr. Langbein presented the Load Management Task Force charter. The focus of the LMTF is to review the recommendations and observations from the Load Management Test Performance Report published in December 2009. The Task Force will develop detailed proposals, as necessary, for consideration by the Committee. **The Committee approved the proposed charter**



with 0 opposed and 0 abstentions. Mr. Langbein also presented the work plan to address the items in the LMTF charter as well as a general update on Task Force activities.

6. ENERGY RESOURCE CURTAILMENT

Mr. Souder presented operating agreement, tariff, manual 12, Balancing Operations, and manual 13, Emergency Operations, changes to ensure energy resources do not force emergency procedures. PJM is proposing that resources that do not have Capacity Interconnection Rights (CIR) up to their Maximum Facility Output may not submit an emergency minimum that exceeds the level of their CIR in the Real-time Energy Market. The Operating Committee will vote on the changes at a future meeting.

7. RPM ITEMS

Mr. Bastian discussed potential revisions to the manual and or PJM Tariff regarding four RPM-related items. Mr. Bastian presented clarifications to the must-offer requirement in section 6.6 of the Tariff for incremental auctions, capacity uprates of existing resources, and planned resources that bid into a prior auction. Mr. Bastian presented two changes to the evaluation of the initial FRR Capacity Plan to address the issue that resources with a long-term outage in the previous year is evaluated using an EFORD much higher than expected future performance unnecessarily forcing additional resources to be committed to the FRR plan. Mr. Bastian also presented revisions to Section 10(g) of the Tariff related to a provision allowing available capacity to offset Peak Hour Period Availability shortfalls. In addition, Mr. Bastian presented PJM's recommendation that the definition of Energy Efficiency Resources in Section M of Attachment DD-1 of the Tariff be clarified as a resource installed at the end-use customer site and exclude installation of more efficient equipment on the transmission or distribution system. The Committee discussed and provided feedback on the proposed changes.

8. PRICE RESPONSIVE DEMAND IMPLEMENTATION

Ms. Horning provided an update on the feedback and questions received at the March 16, 2010 special MIC session on Price Responsive Demand. This included submittal requirements of Price Responsive Demand plans, testing requirements for Price Responsive Demand, examples of how Price Responsive Demand impacts the clearing of the RPM base residual and incremental auctions, and proposals for the treatment of Price Responsive Demand on the Short Term Resource Procurement Target.

Ms. Horning also reviewed the work plan including an additional special MIC session on Price Responsive Demand in late April, development of a FAQ document, and the proposed stakeholder committee timeline.

9. BALANCING OPERATING RESERVES

Ms. Horning provided an update on action items from the March 18, 2010 special session on Balancing Operating Reserves. PJM is investigating stakeholder requested enhancements to the MSRS Operating Reserve Generator Deviations report and documentation. PJM is also analyzing a sample of high Balancing Operating Reserve days during the first quarter of 2010 to explore



areas of refinement for the Regional Balancing Operating Reserve Cost Allocation criteria. Ms. Horning also presented a suggested modification to the criteria such that the existing check between real-time LMP and the unit's offer for units called on by PJM to operate during the operating day be only for intervals where the unit is producing MW. PJM will present the results of the analysis at the next meeting. **The Committee will also be asked to vote on the proposed modification to the Regional Balancing Operating Reserve Cost Allocation criteria.**

10. STATE BUS DATA REQUEST

The Committee discussed a stakeholder request to provide bus model data by state. Mr. Zadlo stated that PJM is not confident in the accuracy of the current data and therefore would require participants to review the data prior to releasing the information. PJM requested feedback on proceeding with this data request. The Committee discussed the appropriate next steps and had no objections to moving forward with the data request. PJM will investigate the next steps for this process and provide an update at a future Committee meeting.

11. MARKETS MANUAL REVIEW

Ms. Horning presented proposed revisions to Manual 9: PJM eSchedules, Manual 11: Scheduling Operations, and Manual 28: Operating Agreement Accounting, resulting from a PJM review of markets manuals. **The Committee was asked to review and provide feedback to Ms. Horning or Ms. Coyne. The Committee will be asked to vote on the proposed revisions at the next Committee meeting.**

ADDITIONAL AGENDA ITEM: PPL ENERGYPLUS PROPOSAL TO INCREASE MARKET EFFICIENCY

Mr. Hyzinski, PPL EnergyPlus LLC, presented proposed changes to promote convergence and market efficiency by encouraging supply and load to schedule day-ahead. The proposal is to eliminate Balancing Operating Reserve deviation penalties incurred when scheduling real-time financially settled hedges in the day-ahead market using increment offers and decrement bids. A participant requested additional details and examples be presented at the next Committee meeting.

ADDITIONAL AGENDA ITEM: ALLEGHENY POWER SPECIAL PROTECTION SCHEME

Mr. McPherson, Allegheny Power, presented a Special Protection Scheme at Allegheny Power's Black Oak Substation with a proposed implementation date of June 1, 2010.

INFORMATIONAL SECTION

12. PJM MANUALS

A. Informational Draft Manual Changes – The following manuals were provided for review.



1. Manual 01: Control Center and Data Exchange Requirements – Minor edits due to annual review of manual
2. Manual 03A: Energy Management System (EMS) Model Updates and Quality Assurance (QA) - Changes to “TERM” Ratings process; updated model language in BES section
3. Manual 12: Balancing Operations - Updates to IRC process
4. Manual 13: Emergency Operations - Updated language for DSR / CSPs per Markets and Reliability Committee request
5. Manual 39: Nuclear Plant Interface Coordination – Changes for April 1, 2010 NERC Standard NUC-001 compliance
6. Manual 14D: Generator Operational Requirements - Revised Attachment D, E, and F to remove redundancy and reorder

13. BROADER REGIONAL MARKETS SOLUTIONS TO LOOP FLOW

An update on the ongoing efforts related to NYISO Lake Erie loop flows was provided.

14. REPORT ON MARKET OPERATIONS

The Report on Market Operations was provided.

15. WORKING GROUP UPDATE

A. Intermittent Resources Working Group (IRWG)

The IRWG met on March 29, 2010 and an update was provided.

B. Credit Subcommittee (CS)

Mr. Loomis provided an update on the CS activities, including a stakeholder proposal to allow RPM suppliers to make credit-limited offers. The Committee discussed the proper venue for the proposal. It was agreed that, rather than pursuing the proposal at the CS, the stakeholder should present the proposal to the Markets Implementation Committee, where it would be vetted and later referred to the CS as needed.

16. FUTURE AGENDA ITEMS

- PJM transmission right allocations for MISO upgrades
- Continued Refinement of Aggregate Data Posting Criteria

17. FUTURE MEETINGS

May 19, 2010	9:30 AM	Wilmington, DE
June 16, 2010	9:30 AM	Wilmington, DE
July 22, 2010	9:30 AM	Wilmington, DE
August 18, 2010	9:30 AM	Wilmington, DE



September 14, 2010
October 12, 2010
November 9, 2010
December 7, 2010

9:30 AM	Wilmington, DE
9:30 AM	Wilmington, DE
9:30 AM	Wilmington, DE
9:30 AM	Wilmington, DE

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