



**PJM Interconnection
PJM Planning Committee Meeting
Minutes of the 132nd Meeting
October 22, 2009
9:30 AM**

Members Present:

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| Richard Geosits | Allegheny Electric Cooperative, Inc. |
| Thomas Barnes | Allegheny Energy Supply Company, L.L.C. |
| Colin Mount | Allegheny Energy Supply Company, L.L.C. |
| Takis Laios | Appalachian Power Company |
| Dan Patt | AREVA T&D |
| Charles Matassa | Baltimore Gas and Electric Company |
| James Wilson | Borough of Lavallette, New Jersey |
| Dean Bickerstaf | Constellation Energy Commodities Group, Inc. |
| Dibyendu Das | Constellation Energy Commodities Group, Inc. |
| Juan Diaz | Customized Energy Solutions, Ltd.* |
| Guy Filomena | Customized Energy Solutions, Ltd.* |
| Jeff Whitehead | Customized Energy Solutions, Ltd.* |
| John Horstmann | Dayton Power & Light Company (The) |
| Hertzel Shamash | Dayton Power & Light Company (The) |
| Jim Summers | Delmarva Power & Light Company |
| George Owens | Downes Associates, Inc. |
| Allen Todd | Downes Associates, Inc. |
| Jason Harchick | Duquesne Light Company |
| Jeffrey Ellis | Edison Mission Marketing and Trading, Inc. |
| Gordon Scott | EPIC NJ/PA, L.P. |
| Affan Abdullah | Federal Energy Regulatory Commission |
| Syed Ahmad | FERC |
| Carl Bridenbaugh | FirstEnergy Corporation |
| Brian Hallett | FirstEnergy Corporation |
| Don Miller | FirstEnergy Solutions Corp. |
| Tanja Shonkwiler | Hagerstown Light Department |
| Dennis Sobieski | Hess Corporation |
| Chloe Cromarty | IPA Trading, LLC |
| Robert O'Connell | JP Morgan Ventures Energy Company |
| John Higgins | Long Island Lighting Company dba LIPA |
| Craig Taborsky | Maryland PSC |
| David Mabry | McNees Wallace |
| Al Freeman | Michigan Public Service Commissioner |

Hal Siegrist
Steven Jeremko
David Applebaum
Steve Huntoon
James Manning
Patty Esposito
Dave Scarp
Raj Barua
Ron Chu
Terrance Clingan
John Syner
John Radman
Lisa Krizenoskas
Michele Greening
Jay Fuess
Thomas Piascik
Esam Khadr
George Braulke
Roleto Mangonon
Deepak Ramlatchan
Robert Mechler
Becky Merola
Barry Trayers
John Brodbeck
Eric Sorber
Ayana Wood
Ronnie Bailey
Louis Slade

Mirant Potomac River, LLC
New York State Electric & Gas Corporation
NextEra Energy Power Marketing, LLC
NextEra Energy Power Marketing, LLC
North Carolina Electric Membership Corporation
NRG
Old Dominion Electric Cooperative
OPSI
PECO Energy Company
Potomac Edison Company d/b/a Allegheny Power
Potomac Edison Company d/b/a Allegheny Power
Potomac Electric Power Company
PPL Electric Utilities Corporation d/b/a PPL Utilities
PPL Energy Plus, LLC
Premcor Refining Group, Inc. (The)
PSEG Energy Resources and Trade LLC
Public Service Electric & Gas Company
RC Cape May Holdings, LLC
Rockland Electric Company
Rockland Electric Company
RRI Energy Services, Inc.
Sempra Energy Solutions
Sempra Energy Trading, LLC
Shell Energy North America (US), LP
UGI Utilities, Inc.
UGI Utilities, Inc.
Virginia Electric & Power Company
Virginia Electric & Power Company

PJM Staff Present:

Steve Herling, Chairman
Tom Falin
Chuck Liebold
Paul McGlynn
Susan McGill
Chris Pilong
Mark Sims, Secretary

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1. ADMINISTRATIVE

Mr. Herling called the meeting to order and requested that Mr. Sims call the roll. Mr. Herling then asked if there were any additional items for the agenda. There were no suggestions for additional agenda items.

2. MINUTES

Mr. Sims reviewed the revised draft minutes of the September 16, 2009. There were no suggested revisions to the minutes as written. Mr. Chu made a motion to approve the minutes as written. Mr. Radman seconded the motion. In a voice vote, the Planning Committee approved the September 16, 2009 minutes.

3. NERC/RRO UPDATE

Ms. McGill provided an update of the status of the NERC and regional reliability standards. Ms. McGill provided a summary of various NERC standards activities including CIP, TPL, and FAC. Ms. McGill also discussed recent NAESB activities. Finally, Ms. McGill commented on the TO Matrix revision effort.

4. DAYTON SECTIONALIZING SCHEMES

Mr. Pilon presented a series of proposed sectionalizing schemes in Dayton Power and Light. Mr. Pilon presented detailed descriptions of 345/138kV transformer sectionalizing schemes at two locations and 138/69kV transformer sectionalizing schemes at six locations. Mr. Pilon then described the process to implement the schemes in Real Time and Day Ahead as described in PJM Manual 3. Mr. Pilon then described the next steps, including a proposed implementation date.

5. REACTIVE POWER FOCUS GROUP

Mr. Chu discussed the efforts of a reactive power focus group that consists of PJM and several transmission owners. Mr. Chu explained that the purpose of the group is to address generator reactive deficiencies due to an increase in capacity or energy by an existing generator. Mr. Chu reviewed the Tariff definition of a reactive deficiency and explained that the focus group concentrated only on deficiencies due to increases in capacity or energy. Mr. Chu then provided suggestions from the focus group and introduced the "PJM Power Factor Requirements and Deficiency Charges" whitepaper. Mr. Huntoon commented that the focus group needs more participation from generators. Mr. Scarpignato provided some suggestions regarding the location of the reactive upgrades. Mr. Herling asked the focus group to keep working on the process with the goal of putting a proposal together.

6. *DEFINING LDA'S

Mr. McGlynn discussed the previous efforts to develop an analytic method that could define a new locational deliverability area. Mr. McGlynn then referenced the RAA's allowance for stakeholder proposed LDA's. Mr. McGlynn then discussed the Central PJM LDA and said that PJM will not pursue the Central PJM LDA at this time. Mr. McGlynn then provided some information on market efficiency and long term planning triggers that could trigger the analytical study of a new LDA. Mr. McGlynn and Mr. Herling then answered several questions from the Planning Committee regarding the trigger methodology. Mr. McGlynn presented proposed PJM Manual 14B language to support the market efficiency and long term planning triggers. Mr. McGlynn asked for Planning Committee endorsement of the proposed trigger language. Ms. Esposito made a motion to approve the Manual 14B trigger language. Mr. Trayers seconded the motion. In a voice vote, the Planning Committee approved the Manual 14B language to support the trigger methodology. Mr. Diaz and Mr. Higgins voted in opposition.

7. LOAD FORECASTING

Mr. Falin requested feedback from the Committee on any additional load forecasting information they would find useful. Two specific requests were made: a comparison of the Blue Chip consensus economic forecast with the Moody's forecast and information on state mandates and goals concerning demand response and energy efficiency initiatives. PJM will develop a workplan to address these issues in 2010.

8. IRM STUDY

Mr. Wilson provided a detailed presentation regarding the peak load value used in IRM and FPR calculations in the final draft 2009 Reserve Requirement Study. Mr. Wilson presented detailed technical information regarding the calculation of the peak load value. Mr. Wilson concluded that the IRM and FPR numbers in the Final Draft RRS Report are incorrect due to the use of an incorrect peak load value.

Mr. Falin presented the results of the 2009 IRM Study. The presentation included a discussion of IRM, FPR, and DR factors for the 2012/13 and 2013/14 Delivery Years. Mr. Falin also compared the 2008 vs. 2009 IRM study results. Finally, Mr. Falin commented on the impact of the ATSI integration and provided a timeline for PJM committee and PJM Board approval. Mr. Falin then asked for Planning Committee endorsement of the following parameters:

2012/2013 Delivery Year: IRM = 15.4% FPR = 1.0815 DR Factor = 0.955

2013/2014 Delivery Year: IRM = 15.3% FPR = 1.0804 DR Factor = 0.957Ms. Esposito made a motion to approve the parameters. Mr. Matassa seconded the motion. In a voice vote, the Planning Committee approved the IRM, FPR, and DR factors with 112 in-favor, 2 opposed, and 12 abstentions.

9. FUTURE MEETINGS

Wednesday, November 18, 2009
Wednesday, December 16, 2009

9:30 AM
9:30 AM

Chase Center, Wilmington, DE
Chase Center, Wilmington, DE

Prepared By: Mark Sims, Secretary
Typist: Nancy Muhl
Draft: 11/09/2009
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