

**PJM Interconnection L.L.C.
Minutes of the Eightieth Meeting of the
Transmission Owners Agreement
Administrative Committee (TOA-AC)
Thursday, May 7, 2009
8 AM – 9:15 AM Eastern Time**

Name	Representing	Attending	On Phone
Baker, Craig	AEP	X	
Rowtham-Kennedy, Monique	AEP	X	
Patton, Charles	AEP	X	
Barton, Lisa	AEP	X	
Rana, Raj	AEP	X	
Haney, James	Allegheny Power/TrAILCo	X	
Philips, Rodney	Allegheny Power/TrAILCo	X	
Palmer, Randall	Allegheny Power/TrAILCo	X	
Bourquin, Ralph	Baltimore Gas and Electric Company	X	
Shamash, Hertzell	Dayton Power & Light Company (The)	X	
Horstmann, John	Dayton Power & Light Company (The)	X	
Schroder, Sharon	Dayton Power & Light Company (The)	X	
Ivey, Susan	Exelon	X	
Bustard, John	Exelon	X	
Richardson, Frank	Exelon	X	
Stern, David	Exelon	X	
Walker, Jennifer	Exelon	X	
Carrado, Regina	Exelon	X	
Bainbridge, Thomas	FirstEnergy Solutions Corp.	X	
Miller, Donald	FirstEnergy Solutions Corp.	X	
Broder, James	Neptune	X	
Tatu, Edward	Old Dominion Electric Cooperative	X	
Scarpignato, David	Old Dominion Electric Cooperative	X	
Messick, Tsion	PHI	X	
Gausman, William	PHI	X	
Meyers, Mary	PHI	X	
Schleicher, David	PPL Electric Utilities Corporation d/b/a PPL Utilities	X	
Glatz, Suzanne	PPL Electric Utilities Corporation d/b/a PPL Utilities	X	
Napoli, Paul	Public Service Electric & Gas Company	X	
Marinelli, Richard	Public Service Electric & Gas Company	X	
Linde, Tamara	Public Service Electric & Gas Company	X	
Calore, James	Public Service Electric & Gas Company	X	
McGoldrick, Peter	Rockland Electric Company		X
Tarpey, James	Rockland Electric Company	X	
Stoyko, Robert	UGI Utilities, Inc.	X	
Gill, Richard	UGI Utilities, Inc.	X	
Smatlak, John	Virginia Electric & Power Company	X	
McGuire, Bob	Virginia Electric & Power Company	X	

PJM Board Managers and Staff

Name	Representing	Attending	On Phone
Boston, Terry	PJM	X	
Kormos, Mike	PJM	X	
Pincus, Steve	PJM	X	
Almgren, Ake	PJM Board of Managers	X	
Boston, Terry	PJM Board of Managers	X	
Coughlin, John	PJM Board of Managers	X	
Eury, Lynn	PJM Board of Managers	X	
Kinsey, Jean	PJM Board of Managers	X	
Lahey, Richard	PJM Board of Managers	X	
Mayben, William	PJM Board of Managers	X	
Riley, Susan	PJM Board of Managers	X	
Schneider, Howard	PJM Board of Managers	X	

1. Administrative Items

- a. Confirm quorum – A quorum was confirmed.
- b. Introductions of Board of Managers and Transmission Owners
- c. Transfer of Chair and Vice-Chair
 - Ms. Ivey handed over leadership of the PJM TOA-AC to AEP’s Craig Baker.
 - Mr. Baker recognized Exelon for their outstanding leadership of the TOA-AC during the past year, and gave Ms. Ivey, Mr. Richardson, and Mr. Bustard a plaque as a token of appreciation.
 - Mr. Baker identified Raj Rana, and Charles Patton as the AEP representatives who will be handling the responsibilities of chairing the TOA-AC.

2. Remarks from PJM Board of Managers attendees

- All Board members were present and provided comments to the TOA-AC. Comments were made by Dr. Almgren, Mr. Eury, Dr. Kinsey, Ms. Riley, Mr. Schneider, Dr. Lahey, Mr. Foster, Mr. Mayben, Mr. Coughlin and Mr. Boston. These comments were focused on the following topics:
 - Significant improvement in RTEP process over the life of PJM.
 - PJM needs to be involved in the Eastern Interconnect Planning Collaborative.
 - Transmission is a lynchpin to competitive markets.
 - There are challenges ahead to develop the national transmission grid in getting renewable energy to the right places.
 - If you like renewables, you’ll love transmission.

- Encouraged companies to think of security in designing new facilities, as it is cheaper to build in than to retrofit later.
- A slowed economy is giving PJM and TOs some time to get caught up, but we will need to be prepared on a proactive basis to build the necessary facilities when the economy bounces back.
- PJM and the TOs are making great advancements with NERC compliance.
- Need to work for legislation that helps move us forward in the transmission arena.

3. Responses and other Remarks from the TOA-AC

- Remarks of the Chair – Craig Baker
 - PJM and TOs have had success with planning but still have a challenge with execution.
 - Need to build transmission for renewables, but need to integrate all transmission and supply.
 - TOs want to build transmission where and when told to do so. The TOs have the money, expertise and desire to build transmission. The transmission development initiative has come long way, but there is a long way to go.
 - Federal legislation could be helpful as a facilitator.
 - Having an Eastern Interconnection Planning Authority is crucial.
- Remarks of individual TOA-AC representatives
 - Dominion (John Smatlak)
 - Interconnect wide planning group is needed for long lines that pass through more than two RTOs.
 - If congress passes 25% renewable bill, cross-border planning will be needed.
 - Sees 765kV in west, 500kV in east – 345kV is too small to move power long distances, or DC.
 - PJM could increase transparency of cost allocation. Added transparency will help determine the best method for longer lines.
 - Concern that lines from the Plains will be allocated just between MISO and PJM while benefitting NY/NE too.
 - PPL (David Schleicher)
 - We still have challenges with continuation of RTEP process, Interconnection Queue process improvements and reliability.
 - Need to ensure that relationships between the TOs, PJM and reliability organizations are positive and constructive.

- Thanked PJM for their support of the Susquehanna - Roseland project
- Dayton (Hertzel Shamash)
 - Concerned with cost allocation. The current RTEP allocations will double DPL's transmission rates without benefit to DPL.
 - Supports eastern interconnection planning collaborative, but concerned with cost allocation.
- FirstEnergy (Don Miller)
 - Thanked PJM for their support of competitive markets.
 - Would like to continue to have TOs and PJM work on RTEP projects.
 - Noted improvements in seams issues, but more improvement is needed, including looking at loop flows on the system and seams issues.
- Allegheny Power/TrAILCo (James Haney)
 - Noted Pennsylvania collaborative process with stakeholders for moving the TRAIL line forward was difficult.
 - Noted that the easy part is building, the difficult part is getting permission to build.
 - Thanked PJM for their involvement in process.
- PSEG (Paul Napoli)
 - Noted it is important to be involved in the development of legislation to help guide and not simply react to it.
 - Expressed concern with transmission lines being announced before there is any real analysis for such lines. This method of planning that may not result in the most effective solution.
- Exelon (Susan Ivey)
 - Interconnection wide planning is needed to achieve the optimal, cost effective solution to grid expansion. Planning should preserve what has been done to date, but needs to move beyond that point to get an optimal solution.
 - Noted her support for an advisory committee to work with PJM on interregional planning, noting a desire to participate in such a group.
 - Concerned with the amount of wind looking to interconnect to the system and the ability to absorb wind generation into the PJM grid particularly at other than peak load times.
- PHI (Tsion Messick)
 - Expressed support for an advisory committee of TOA-AC for the interconnection-wide planning collaborative, noting that it

is important to maintain existing planning process in parallel with expanded inter-regional planning.

- ODEC (David Scarpignato)
 - Transmission enables energy markets and provides operational flexibility.
 - Noted that the success of the planning process is due in part to Order 890 requirements for transparency.
 - Collaboration will help with getting lines sited.
 - There is a need to review transmission expansion both for generator interconnections as well as retirements. Both require much analysis.
- BGE (Ralph Bourquin)
 - Cannot stop building approved projects just because of economic down turn. PJM needs to work with the TOs on capital planning and budget issues to avoid the inefficiencies of frequent stopping/starting of work.
 - BGE is finding it difficult to get transmission outages.
 - Noted that while new transmission is important, there is also a need to ensure TOs can get outages for system maintenance.

4. PJM's Long Term Transmission Vision and Planning Process – Terry Boston

- PJM's vision is to be the electric industry leader, today and tomorrow, in reliable operations, efficient wholesale markets and infrastructure planning and timely implementation.
- If you like nuclear power, clean coal, wind and Plug-in Hybrid Electric Vehicles, you'll love transmission.
- PJM does have congestion issues that need to be resolved. Looking at system controllability, storage, wide-area visibility and developing a robust system in solving congestion issues.
- Noted PSEG's development of compressed air storage and testing of battery storage.
- Reviewed planned transmission investment of \$13.2 billion, including \$6.2B for backbone projects, \$5.1B for baseline, \$1.9 for network upgrades to support interconnection requests.

- Noted that the 2012 RTEP topology is expected to reduce congestion costs to \$300 million in 2012 vs. \$2 billion in 2012 based on the existing topology.
- Generator interconnection requests are up 80% since 2006 and we are making progress getting the process under control.
- Need support of states for the eastern interconnect planning effort to be successful.
- Announced that Mr. Whiteley is working as the leader for all RTOs on the eastern interconnection planning collaborative

5. TOA-AC Work Plan Overview

- Smart-Grid Update – Napoli
 - PJM TOs have plans to install 39 PMU's by the year-end. Several are already installed.
 - Dominion's Matt Gardner will be leading the PMU effort for the TOs.
 - The TOA-AC Working Group on smart grid will sunset at the next TOA-AC meeting.
- Synchrophasor project update – Kormos
 - PJM is active in evaluating opportunities for stimulus funding – three different opportunities:
 - First is a non-stimulus grant. PJM will be pursuing this in evaluating the feasibility to use of PMU data for congestion management. PJM plans to collaborate with industry consultants and universities.
 - Two other Smart Grid stimulus grants will involve demonstration and deployment of synchrophasor technology in partnership with the PJM TOs. PJM is working with the TOs to determine the appropriate applications to be developed and to prepare grant proposals.

7. Future Meeting

July 9, 2009 – Baltimore (Pier V)

August 27, 2009 – Baltimore (Pier V)