



**MEETING MINUTES**  
**PJM Transmission Owners Agreement**  
**Administrative Committee (TOA-AC) Eighty-Ninth Meeting**

**Thursday, July 15, 2010**  
**9:30 AM – 3:00 PM Eastern Time**  
**Pier V Hotel**  
**711 Eastern Avenue**  
**Baltimore, MD**

**Conference Call Info: Bob Mattiuz, Leader**  
**Dial In Number: 1-866-469-3239**  
**Pass Code: 18052471**  
**WebEx Pass Code: toaac0715pjm**  
**<http://pjm.webex.com>**

**Meeting Attendees**

<b>Name</b>	<b>Representing</b>	<b>In Person</b>	<b>On Phone</b>
Bradish, Bob	AEP	X	
Laios, Takis	AEP		X
Rana, Raj	AEP	X	
Dulick, David	Allegheny Electric Cooperative, Inc.	X	
Wright, Gary	Allegheny Electric Cooperative, Inc.		X
Conley, Hugh	Allegheny Power/TrAILCo	X	
Mattiuz, Bob	Allegheny Power/TrAILCo	X	
Palmer, Randall	Allegheny Power/TrAILCo	X	
Bloom, David	Baltimore Gas and Electric Company	X	
Bourquin, Ralph	Baltimore Gas and Electric Company	X	
Guy, Gary	Baltimore Gas and Electric Company	X	
Coady, Mike	Baltimore Gas and Electric Company	X	
Shamash, Hertzell	Dayton Power & Light Company (The)	X	
Connelly, David	Dominion/Virginia Electric & Power Company	X	
Lacy, Cathy	Dominion/Virginia Electric & Power Company	X	
McGuire, Bob	Dominion/Virginia Electric & Power Company	X	
Payne, Harold	Dominion/Virginia Electric & Power Company	X	
Sullivan, Megan	Duquesne Light Company		X
Carrado, Regina	Exelon		X
Richardson, Frank	Exelon	X	
Stern, David	Exelon		X
Weaver, Dave	Exelon		X

# TOA-AC Meeting Minutes of July 15, 2010

Page 2

Name	Representing	In Person	On Phone
Bainbridge, Thomas	FirstEnergy Solutions Corp.		X
Fuerst, Gary	FirstEnergy Solutions Corp.		X
Miller, Donald	FirstEnergy Solutions Corp.	X	
Walsh, Daniel	Linden	X	
Broder, James	Neptune Regional Transmission System, LLC		X
Griggs, Ernest	Neptune Regional Transmission System, LLC	X	
Lee, John	Old Dominion Electric Cooperative		X
Scarpignato, David	Old Dominion Electric Cooperative	X	
Blauman, Amy	PHI	X	
Mitchell, Bill	PHI	X	
Ruth, Diane	PHI	X	
Glatz, Suzanne	PPL Electric Utilities	X	
Kaplan, Donald	PPL Electric Utilities		X
Marinelli, Richard	Public Service Electric & Gas Company	X	
Burke, Patrick	Rockland Electric Company	X	
Gill, Richard	UGI Utilities, Inc.		X
Bowe, Tom	PJM	X	
Eckenrod, Rob	PJM		X
Foley, Pauline	PJM		X
Hendrzak, Chantal	PJM	X	
Herling, Steven	PJM	X	
Pincus, Steve	PJM	X	
Snyder, Virginia	PJM		X
Zadlo, Tom	PJM		X
Francis, Frank	Brookfield Power	X	
Ferguson, Chad	East Kentucky Power Coop	X	
Twitchell, John	East Kentucky Power Coop	X	
Jones, Kevin	LIPA	X	
Craig Taborsky	Maryland Commission Staff	X	

## 1. Administrative Items

- a. Confirm quorum – Quorum confirmed.
- b. Approve Minutes of the April 1, 2010 Meeting – Approved.
- c. Approve Minutes of the May 6, 2010 Meeting – Approved with a correction to indicate that Dan Walsh of Linden VFT attended the meeting in person.
- d. Weighted Vote Tabulation Matrix Calculator – The 2010 TOA-AC Voting Tool was approved.
- e. Review of notational voting on SECA compliance filing costs – The TOA-AC approved the scope of work and costs of the two law firms and consultant assisting with the August 19, 2010 SECA compliance filing. Costs shall be allocated among the TOs required to submit the compliance filings in accordance with the methodology for allocating TOA-AC meeting costs as specified in Section 8.4.5 of the Consolidated Transmission Owners Agreement. Neptune RTS LLC, Linden VFT, ODEC and

TrAILCo are not required to submit the compliance filings and, therefore, shall not be responsible for any allocation of such expenses.

**2. WG Group update**

**a. Smart Grid WG – Synchrophasor project update and FERC Rehearing Order EL09-72 on Synchrophasors (Chantal Hendrzak/ Rob Eckenrod -PJM)**

Ms. Hendrzak (PJM) reported PJM received notification that the first invoice submitted by PJM to DOE has been paid and the companies who submitted requests for reimbursement should soon be receiving payment from PJM. She noted the payment was processed by DOE within 30 days and that PJM plans to submit second invoice to DOE this week. PJM prepared and filed with DOE an updated project report that included information from all the TOs involved with the project. PJM held a project initiation meeting last month that included project management and a discussion of technical issues, including the architecture and design concerning how the synchrophasors will integrate with PJM and TOs. PJM is working with MISO and other RTOs/ISOs who received synchrophasor grants to share information. A Non-Disclosure Agreement (NDA) will be prepared to allow data to be shared with all signatories. The TOs will be sent a redlined draft version for comment. Eventually, every TO and ISO/RTO planning to share information will need to sign the NDA. PJM is also working with the TOs on DOE's request to identify information in the application that is considered confidential and should not be shared publicly.

Mr. Eckenrod provided an update on FERC's Rehearing Order on synchrophasors investments by PG&E. FERC removed paragraph 46 from its December 2009 Order that suggested entities designate substations with synchrophasor equipment as critical asset under the CIP standards. Mr. Eckenrod pointed out that although FERC deleted paragraph 46, FERC did mention such synchrophasor devices may require close scrutiny and protection.

**b. RTEP WG Update (Takis Laios - AEP)**

Mr. Laios reported the first RTEP WG conference call was held July 12, 2010, and the group plans to have the call on weekly basis. The WG is focusing on completing the Charter and plans to present it to the TOA-AC for approval at the August 19<sup>th</sup> TOA-AC meeting. .

**3. RPPWG Update (Steve Herling - PJM)**

Mr. Herling reported the RPPWG is working through charter issues regarding additional criteria to be used for identifying baseline RTEP upgrades. The RPPWG is discussing how to incorporate criteria such as renewable generation, energy efficiency, demand response, at-risk generation into the RTEP, with consideration to those initiatives that are legislatively-backed state goals. It is generally recognized that the status quo is not acceptable.

#### **4. At-Risk Generator Retirements (Dave Weaver - Exelon)**

Mr. Weaver reviewed several factors leading to an expected increase in generation retirements over the next several years, the issues associated with the generation retirements under the current PJM rules, and several suggestions for consideration to address these issues. The tariff only requires a 90-day notification of generation retirements, which probably will not be adequate time for transmission owners to resolve reliability problems if infrastructure improvements are required. After discussing the issues and potential actions to improve the situation, the TOA-AC agreed to include the issues and potential improvement associated with at-risk generation in the scope of the RTEP Working Group led by Takis Laios (AEP).

#### **5. Transmission Interconnection Agreements (Tom Bowe - PJM)**

Mr. Bowe reported PJM is in the process of creating/updating interconnection agreements with neighboring TOPs/BAs to provide more clarity and detail with regard to each entities responsibility in an effort to strengthen coordination of transmission system operations and to better demonstrate compliance with the NERC Standards. Mr. Bowe encouraged PJM Transmission Owners to create/update interconnection agreements with transmission owners external to PJM using similar language for similar benefits. PJM TOs with interconnections to transmission owners external to PJM are to provide Mr. Bowe with company contacts by August 1. PJM will lead this initiative to update the interconnection agreements and targets a June 2011 completion date.

#### **6. SIL Methodology (Tom Bowe - PJM)**

Mr. Bowe provided an overview of the 2009 Simultaneous Import Limit (SIL) Study results. SIL Limits are lower in 2009 compared to 2006. Mr. Bowe will schedule a WebEx presentation with the TOA-AC by the end of July to present the detailed results of the SIL Study. The presentation will include a breakout of the factors influencing the differences between the 2006 and 2009 study results.

#### **7. MISO Injection/Withdrawal Transmission Pricing Method Update (Gary Fuerst - FE)**

Mr. Fuerst provided an update on MISO's cost allocation proposal. MISO is proposing a 100% postage stamp of revenue requirements to load and exports for Multi-Value Projects (MVPs), which are projects primarily driven by Public Policy that support reliable energy delivery of documented energy policy mandates or laws that have been enacted or adopted through state or federal legislation or regulatory requirements. Costs for MVPs will be covered by a new MISO MWhr "withdrawal" charge to all load in MISO and to all exports, including exports to PJM. Generation Interconnection Project cost sharing methodology remains the same and there will be no "injection" charge for generators. MISO will start with a regional plan at the top and reconcile with TO plans from lower level to identify MVPs. After considering several alternatives on the cost allocation methodology, MISO is expected to make a FERC filing on July 15, 2010. FERC may potentially issue an Order by end of 2010.

### **8. Linden VFT TSR Holders & LIPA Proposal (Frank Francis - Brookfield Power)**

Mr. Francis presented a request to the TOA-AC to remove the PJM out-service transmission rate for the Linden VFT and Neptune Regional Transmission System, LLC (“Neptune”) customers, who are the Linden VFT TSR Holders (“TSR Holders”) and Long Island Power Authority (LIPA), respectively. Mr. Francis indicated the TSR Holders and LIPA have reviewed the PJM charges assessed to export transactions flowing from PJM across the Linden VFT and the Neptune cables into the NYISO Zone J and Zone K and have concluded that dissimilar treatments exist between these transactions and the transactions exported over the PJM/NY AC tie lines, claiming that in addition to securing and paying for out-service, the TSR Holders and LIPA are incurring additional RTEP and interconnection upgrade related costs. Mr. Griggs (Neptune) emphasized that Neptune RTS is neutral and is not part of and did not authorize this proposal. Mr. Francis requested the TOA-AC to approve the proposal to remove the PJM out-service requirement for certain transactions scheduled over the Linden VFT and Neptune cable. When asked to provide an example of dissimilar treatment, Mr. Francis stated that for a transaction leaving PJM into NY, the AC tie lines only need to secure PJM out-service; however, Linden VFT and Neptune customers need to cover that cost plus the RTEP project costs. It was pointed out that rates are being applied properly per the PJM tariff. Mr. Mattiuz indicated the proposal will be discussed by the TOA-AC during a closed door session following the open meeting and will update Mr. Francis after the closed session.

### **9. Eastern Interconnection Planning Collaborative (EIPC) Update (Bob Mattiuz - AP)**

Mr. Mattiuz provided an update on the EIPC. The EIPC Stakeholder Steering Committee (SSC) reached agreement on a document concerning the formation and selection of the SSC. Tamara Linde (PSEG), Steve Naumann (Exelon) and Tsion Messick (PHI) were the three representatives elected for TO/TD Sector Caucus from the PJM Region. Ms. Linde is one of the three TO/TD members on the 29-member SCC. Mr. Naumann was selected to one of the additional seven TO/TD seats at the SCC table. The EIPC SSC is meeting in Chicago on July 15-16.

### **10. Bus by State Data (Tom Zadlo/ Steve Pincus - PJM)**

Mr. Pincus informed the TOA-AC that PJM has received requests for a listing of system busses by state for tax purposes. PJM has bus locations by region but not by state. After much discussion regarding the need for providing bus locations by state, the issues associated with providing the information, and whether the current rules permit the TOs to provide this information to PJM without a Tariff and/or CTOA revisions, it was decided PJM will request further details from the parties requesting this information in order to fully understand what the data is used for and why it is needed.

### **11. Legal Issues Team (LIT) Update (Randy Palmer – AP/TrAILCo)**

#### **a. Docket No. RM10-23-000, Transmission Planning and Cost Allocation NOPR**

Mr. Palmer reported the LIT had preliminary discussions regarding the NOPR and requested feedback from the TOA-AC regarding whether the LIT should pursue preparing comments to file on behalf of the TOA-AC. The TOA-AC supported the LIT

pursuing common positions, such as the Right of First Refusal issue. Mr. Palmer requested the TOA-AC to provide positions on the NOPR to their LIT representatives for discussion during the July 22, 2010 LIT conference call.

**b. SECA Compliance Filing Status Report**

Mr. Palmer reported the compliance filing is progressing well and companies required to submit the compliance filing are in discussions with the consultant, Steve Henderson, and the two law firms assisting with the filing. The compliance filing is due August 19, 2010.

**c. NERC Procedural Rule Amendments for Intervention Rights Update ( Steve Pincus - PJM)**

Mr. Pincus provided an update on the ongoing issue regarding NERC's Rules of Procedures not allowing RTO/ISO members to intervene in compliance investigations involving ISO/RTO's without FERC granting a waiver, even though the RTO/ISO members may be allocated penalty dollars resulting from the investigation. Mr. Pincus reviewed the ISO/RTO Council's (IRC) letter that will be sent to Gerry Cauley proposing procedural changes to allow RTO/ISO members to intervene during investigations.

**d. PJM eTariff Filing Protocol for PJM Transmission Owners (Pincus)**

Mr. Pincus indicated PJM is on schedule to begin uploading baseline tariff filings to the FERC eTariff portal in August. Electronic filings will require additional lead time and resources to prepare the documents and upload through the new FERC portal. Mr. Palmer will work with PJM to schedule a WebEx to review the new process with the LIT.

**e. PJM/MISO RTOR: Transmission Service Point of Delivery Tracking (Chip Richardson - Exelon/ Chris Advena - PJM)**

Mr. Richardson described a recent FERC Order in which FERC rejected a set of revenue recovery transactions included in a SECA filing. PJM was not able to collect due to an omission in the PJM Tariff. Most transactions crossing the border into MISO sink in MISO, but some sink outside of MISO. MISO does charge for these types of transactions, but PJM does not. The issue is that PJM's systems cannot identify the sink outside of MISO and PJM's Tariff does not include these transactions. Mr. Pincus recommended establishing a small team to determine the volume of these transactions and the scope and magnitude of any changes required to PJM's systems. Mr. Richardson will lead a small team to pursue this issue. TOs interested in participating on this team are to provide a contact name to Mr. Richardson.

**12. PJM RTEP Update (Steve Herling - PJM)**

Mr. Herling reported the analyses to identify violations in the 2015 RTEP base case is essentially complete. PJM is working on the retools for 2014, and there is not nearly as many as last year. Mr. Herling requested the TOs to notify PJM Planning if there are specific projects they want reviewed in the retool. The backbone line analysis is much more complex because of the alternatives being submitted, including two projects that include series compensation. PJM will use external resources for supplemental analysis. The market efficiency work is also getting more focus this year. When asked where PJM is with regard

to the PJM Board approvals of the RTEP, Mr. Herling responded that he expects it to be ready for approval in October. He noted deferring projects such as PATH and MAPP do not require Board approval. Board approval is required when board approved projects are cancelled or removed from the RTEP.

Mr. Herling discussed generator interconnection issues. Generation interconnection customers have a requirement on the number of days they must execute ISA's, but the TOs do not have any time requirements. There have been instances when this delay goes on for a considerable period. Mr. Herling requested the TOs to inform their Planning Committee representatives to be prepared to discuss establishing a timeframe to complete ISAs at the next PC meeting.

Mr. Herling reported over 90% of the Feasibility Studies and around 80% of the System Impact Studies were completed on time for the most recent interconnection queue. More problematic is the length of the backlog on some of the System Impact and Feasibility Studies. PJM is continuing to work with the TOs involved to help reduce the backlog and to improve the process.

### **13. PJM/Board Liaison Meeting Update (Meg Sullivan – Duquesne Light)**

#### **a. August 3<sup>rd</sup> Meeting in Chicago**

Ms. Sullivan reported the PJM Board of Managers (BOM) responded to the Liaison Committee (LC) letter recommending potential topics for the August 3, 2010 LC meeting. Full discussion on the Transmission Planning and Demand Response topics are anticipated. A follow-up conference call will be schedule prior to the meeting to review the TOs discussion points.

### **14. PJM Finance Committee Meeting Update (Raj Rana - AEP)**

#### **a. Schedule 9 State Rate Structure**

Mr. Rana reported the PJM Finance Committee has decided not to revise either the stated rate method or the rate until the integration of FE and Duke are completed. The need to review the method and the stated rate will be reviewed after receiving additional data following the integration of these two companies. No concerns were raised by the TOA-AC regarding this decision.

### **15. Schedule for this year's meetings**

- August 19, 2010 – *Baltimore (Pier V)*
- October 14, 2010 – *Baltimore (Pier V)*
- December 1, 2010 – *Baltimore (Pier V)*