



**DRAFT MEETING MINUTES**  
**PJM Transmission Owners Agreement**  
**Administrative Committee (TOA-AC) Ninety-First Meeting**

**Thursday, October 14, 2010**  
**9:30 AM – 3:00 PM Eastern Time**  
**Pier V Hotel**  
**711 Eastern Avenue**  
**Baltimore, MD**

**Conference Call Info: Bob Mattiuz, Leader**  
**Call-in toll-free number: 1-866-469-3239**  
**Access code: 352 072 968**  
**WebEx Pass Code: toaac1014pjm**  
<http://www.pjmwebex.com>

**Meeting Attendees**

<b>Name</b>	<b>Representing</b>	<b>In Person</b>	<b>On Phone</b>
Laios, Takis	AEP		X
Rana, Raj	AEP	X	
Kaminski, Vincent	Allegheny Electric Cooperative, Inc.		X
Conley, Hugh	Allegheny Power/TrAILCo	X	
Mattiuz, Bob	Allegheny Power/TrAILCo	X	
Mount, Colin	Allegheny Power/TrAILCo	X	
Rostock, John	Allegheny Power/TrAILCo		X
Bourquin, Ralph	Baltimore Gas and Electric Company	X	
Shamash, Hertzell	Dayton Power & Light Company (The)	X	
Eng, Carl	Dominion/Virginia Electric & Power Company		X
McGuire, Bob	Dominion/Virginia Electric & Power Company	X	
Payne, Harold	Dominion/Virginia Electric & Power Company	X	
Abbott, Tim	Duke		X
Richardson, Chip	Exelon	X	
Bainbridge, Thomas	FirstEnergy Solutions Corp.	X	
Miller, Donald	FirstEnergy Solutions Corp.	X	
Blauman, Amy	PHI	X	
Godson, Gloria	PHI	X	
Meyers, Mary	PHI	X	
Ruth, Diane	PHI	X	

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Name	Representing		
Glatz, Suzanne	PPL Electric Utilities	X	
Russell, Paul	PPL Electric Utilities		X
Marinelli, Richard	Public Service Electric & Gas Company		X
Napoli, Pau	Public Service Electric & Gas Company		X
Burke, Patrick	Rockland Electric Company	X	
Gill, Richard	UGI Utilities, Inc.		X
Foley, Pauline	PJM		X
Hendrzak, Chantal	PJM		X
McGlynn, Paul	PJM	X	
Pincus, Steve	PJM	X	

### 1. Administrative Items

- a. Confirm quorum – Quorum confirmed.
- b. Approve Minutes of the August 19, 2010 Meeting – Approved.

### 2. WG Group update

#### a. Smart Grid WG – Synchrophasor project update (Chantal Hendrzak - PJM)

Ms. Hendrzak reported all the preliminary documents required by the DOE have been approved, including the Cyber Security Plan, which had been informally approved by the DOE. PJM is preparing the required DOE Benefits and Metrics Baseline Report, which includes the benefits of implementing synchrophasors across the PJM footprint, what improvements the synchrophasors will provide and how those improvement will be measured over the next couple years. Ms. Hendrzak indicated PJM is in the process of updating the project schedule to reflect Transmission Owner implementation dates of Phasor measurement Units (PMUs). The overall project is running under budget primarily due to timing of the invoices and delayed PMU implementation schedules; however, several companies have reported their total estimated costs for their portion of the project have increased. Because the DOE funding is capped, these companies will need to either reduce their scope or cover the expenditures above their allocated budget. PJM has selected the vendor for its Phasor Data Concentrator (PDC). The “open architecture” PDC is scheduled to be installed by the end of the first quarter in 2011. PJM scheduled a demonstration and user training of phasor visualization software in Valley Forge in early November. PJM and other parties continue to work with NERC on an Industry Synchrophasor Data-Sharing Agreement to resolve several elements of the agreement. NERC is planning to arrange discussion with the parties involved to address the open issues. The TOA-AC members participating in this project requested Ms. Hendrzak to contact the appropriate TOA-AC representatives if any transmission owners are falling behind schedule or not providing PJM with the necessary information to submit timely reports.

#### b. RTEP WG (Takis Laios – AEP)

The RTEP Working Group Charter was approved during the Closed Session.

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- 3. Eastern Interconnection Planning Collaborative Update (Bob Mattiuz – AP/TrAILCo)**  
Mr. Mattiuz reported Greg Smith (PPL) is replacing Tsion Messick (PHI) as one of the three TO/TD representatives from the PJM Region on the TO/TD Sector of the EIPC because Ms. Messick is retiring. The TO/TD representatives from the PJM Region are attending the three-day Stakeholder Steering Committee meeting October 12-14.
- 4. Bus Data by State (Steve Pincus – PJM)**  
Mr. Pincus reported he reviewed the existing PJM tariff and believes there is sufficient language in the tariff such that the requirement for transmission owners to provide bus data by state can be included in a PJM Manual without revising the tariff. The TOA-AC agreed with Mr. Pincus and agreed further review by the LIT on this issue not required. PJM will move forward with implementing the manual change. PJM will post the bus data by state on the PJM website with a disclaimer concerning responsibility.
- 5. ReliabilityFirst (RFC) Audit and the PJM TO/TOP Matrix (Steve Pincus)**  
Mr. Pincus reported that an RFC audit of BGE, including a preliminary review of the PJM TO/TOP Matrix, is in process. No major issues have been identified so far, but Mr. Pincus expects changes to the TO/TOP Matrix in upcoming Version 4. The Coordinated Functional Registration (CFR) was discussed during the audit but eventually parties agreed that the TO/TOP Matrix was acceptable. PJM and several transmission owners indicated they are not in favor of the CFR model.
- 6. NERC Rules of Procedure/Penalty Cost Allocation Update (Steve Pincus)**  
Mr. Pincus reported the ISO/RTO Council (IRC) has made no progress with NERC with regard to modifying the NERC Rules of Procedure to allow RTO/ISO members to intervene in compliance investigations without FERC granting a waiver. NERC recommends use of the Coordinated Functional Registration (CFR), but this is not an acceptable alternative because it will require the transmission owners to register as TOPs. Mr. Pincus indicated IRC plans to pursue an alternate course of action to modify the Rules of Procedure that involves gaining approval from ten members from three sectors (RTO, TO, GO). Mr. Pincus requested support from individual transmission owners to support the procedural rule change when the IRC completes its proposed revisions.
- 7. PJM Baseline eTariff Filing Update (Steve Pincus)**  
Mr. Pincus reported that PJM successfully submitted its baseline tariffs with FERC and is in compliance with FERC Order 714. He noted the FERC posting may not look like the filing due to formatting issues with the FERC portal and encouraged everyone to verify the posted filings for accuracy. Cancellation of service changes to the tariff should be submitted by using eFile, not eTariff.
- 8. SIL Study Update (Steve Pincus)**  
Mr. Pincus reported PJM will set up a separate conference call with the SIL study stakeholders rather than addressing the SIL studies at the TOA-AC meeting, since the study results affect a broader audience than the TOA-AC.

### **9. Transmission Planning /Cost Allocation NOPR (Pauline Foley - PJM)**

Ms. Foley highlighted PJM's key comments filed on FERC's Transmission Planning and Cost Allocation NOPR RM10-23. PJM encouraged FERC to clarify that a transmission provider's responsibility to plan for public policy should be triggered when Congress and state policymakers articulate public policy in the form of criteria and metrics that transmission planners can translate into implementable transmission plans. PJM suggested incumbent transmission owners' construction obligations and rights in the PJM Operating Agreement are preserved for reliability projects on existing transmission facilities. PJM supports establishing qualification criteria for the eligibility of an entity to be designated to construct, own, maintain and finance an RTEP Project. PJM requested FERC to clarify its policy on interregional planning processes to consider whether preserving regional differences are more important than promoting interregional planning processes where significant differences of rules and processes between regions cannot be aligned in a manner that would enable interregional projects. PJM supports cost allocation of interregional projects based on who benefits, not based on the location of the transmission facilities as proposed in the NOPR.

### **10. PJM RTEP Update (Paul McGlynn - PJM)**

Mr. McGlynn reported the PJM Board approved \$1.8B in RTEP upgrades at the October Board meeting. PJM is in the process of evaluating PATH and alternative projects by preparing a side-by-side comparison that includes cost, ROW required, etc. PJM has engaged an independent consultant to review the Liberty proposal and expects the analysis to be completed in early-November. The PJM Board reaffirmed the MAPP project. The Branchburg-Roseland-Hudson line will be removed from RTEP. PJM is retooling the 2012 case to remove the Susquehanna-Roseland line and anticipates additional violations with this line removed.

### **11. PJM Liaison Committee Update**

#### **a. October 13 Meeting with PJM Board (Hertzel Shamash – Dayton P&L)**

Mr. Shamash reported on items discussed at the October 13 Liaison Committee meeting. Highlights of the meeting included discussion regarding the need to get stakeholders' comments/approval for any new and amended Joint Operating Agreements (JOA), and have an auditing procedure for the existing JOA to ensure that it is being implemented. There was also discussion regarding the demand response interface with wholesale and retail programs, and the Right of First Refusal (ROFR) issue in FERC's Transmission Planning and Cost Allocation NOPR. The PJM Board was sympathetic to the transmission owners' position on the ROFR and expressed concern about how opening up the construction of new transmission lines to competition could create problems.

#### **b. Representatives at PJM Board Meeting (Tom Bainbridge – FirstEnergy)**

Mr. Bainbridge reviewed a proposal for selecting the third of three TO Sector representatives who attend the Liaison Committee Meeting with the PJM Board. The third position would be open to represent load, demand response, generation and other interests of the TOs in the PJM energy markets. Exelon had prepared a presentation

for the TOA-AC in early-2009 outlining how the three representatives would be selected. Mr. Bainbridge agreed to forward the Exelon presentation and the proposal for selecting the third position to the TO Sector for approval and provide an update at the next TOA-AC meeting.

#### **12. PJM TO Sector Whip Representative (Tom Bainbridge)**

Mr. Bainbridge reported that his term is expiring soon and that interested candidates should submit their names for nomination. Marji Phillips (PSEG) has been nominated as a candidate for the Sector Whip Representative.

#### **13. PJM Finance Committee Update (Raj Rana – AEP)**

##### **a. PJM Finance Report**

Mr. Rana reported PJM's energy usage is projected to increase about 9% next year over the 2010 usage primarily due to the proposed ATSI integration. PJM's proposed O&M budget for the next year is 5.5% higher than the corresponding 2010 budget. This increase is primarily attributable to maintaining adequate staffing levels, benefit inflation, reduced project activity, as well as the depreciation, interest, and technology associated with a larger asset base. The 2011 stated rate will go down by one cent/MWh to \$0.30/MWh from the current rate of \$0.31/MWh. The AC<sup>2</sup> estimated cost increased to \$145-150M compared to the original \$135M estimate. AC<sup>2</sup> is expected to be in-service-before the summer of 2011. The NERC and RFC expense budget for 2011 represents an increase of \$10.3 million (26.7%) and \$1.1 million (7.3%), respectively, as compared to the 2010 budget. These increases are primarily driven by staffing increases that NERC and RFC claim are necessary to meet FERC requirements placed on the ERO. The FERC and MMU budgets for the next year are same as this year - no increase.

##### **b. PJM Finance Committee TO Sector Representative**

Mr. Rana announced he is retiring and a replacement for him on the Finance Committee will be elected. Mr. Richardson (Exelon) has been nominated as a replacement for Mr. Rana.

#### **14. NERC Alert – Facility Ratings (Hertzel Shamash)**

Mr. Shamash discussed a recent NERC Alert recommending Transmission Owners and other registered entities to review their current Facility Ratings Methodology to verify that the methodology used to determine facility ratings of their transmission lines is based on actual field conditions. The NERC Alert recommended that identified issues would need to be mitigated within two years. Mr. Shamash questioned whether other members or PJM had any concerns with the implications of this Alert. PJM is concerned with potential operating issues and the impact on planning studies if multiple lines are de-rated. TOA-AC members were encouraged to work through their EEI representatives to address the policy issues of this Alert and with the Transmission Forum on the technical issues associated with performing the assessment.

**15. Other Business**

**a. TOA-AC Roster (Bob Mattiuz)**

Mr. Mattiuz questioned the purpose of the TOA-AC roster posted on the PJM website and indicated that he maintains a separate email distribution list for the TOA-AC. The TOA-AC roster is primarily used to identify each Company's Primary and Alternate Voting members. Only individuals with Companies that are signatories to the Consolidated Transmission Owners Agreement should be listed on the roster. Mr. Mattiuz will work with PJM and the transmission owners to get the roster updated.

**b. Trans-Elect Proposed Transmission Project (Pat Burke – Rockland Electric)**

Mr. Burke mentioned Trans-Elect's proposed \$5B transmission backbone project for future offshore wind farms along the Atlantic Seaboard partially financed by Google and inquired whether others knew anything about the project. PJM was asked if any analysis has been done to determine the impact this project would have on PJM. Mr. McGlynn responded stating PJM has not received any requests from the developer so PJM has not performed any analysis. PJM would evaluate this project if the developer submits it through the interconnection queue process, similar to how PJM handles all interconnection requests. If anyone is interested in hearing more about this project, it was recommended the TEAC would be the appropriate forum in which to get additional information from the developer.

**16. Schedule for this year's meetings**

- December 1, 2010 – *Baltimore (Pier V)*
- Meetings for 2011 will be scheduled as soon as the 2011 PJM Schedule is posted.