



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

**Thursday, January 20, 2011  
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  
Participant Code: 352380637  
WebEx Pass Code: toaac0120pjm  
<http://pjm.webex.com>**

**Meeting Attendees**

<b>Name</b>	<b>Representing</b>	<b>In Person</b>	<b>On Phone</b>
Garcia, Hector	AEP		X
Laios, Takis	AEP		X
Kaminski, Vincent	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	
Rostock, John	Allegheny Power/TrAILCo		X
Dodge, Andy	Baltimore Gas and Electric Company	X	
Guy, Gary	Baltimore Gas and Electric Company	X	
Fernandes, John	Constellation	X	
Shamash, Hertzell	Dayton Power & Light Company (The)	X	
Scarpignato, David	Direct Energy	X	
Connelly, David	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
Abbott, Tim	Duke		X
Carrado, Regina	Exelon	X	
Dworetzky, Jeanne	Exelon	X	
Bainbridge, Thomas	FirstEnergy Solutions Corp.	X	
Miller, Donald	FirstEnergy Solutions Corp.	X	

# TOA-AC Meeting Agenda of January 20, 2011

## Page 2

Name	Representing	In Person	On Phone
Walsh, Daniel	Linden VFT	X	
Tatum, Edward	Old Dominion Electric Cooperative	X	
Blauman, Amy	PHI	X	
Hall, Dan	PHI	X	
Spanos, Aristotelis	PHI	X	
Krizenoskas, Lisa	PPL Electric Utilities	X	
Russell, Paul	PPL Electric Utilities	X	
Linde, Tamara	Public Service Electric & Gas Company	X	
Marinelli, Richard	Public Service Electric & Gas Company	X	
Mueller, Jeff	Public Service Electric & Gas Company		X
Napoli, Paul	Public Service Electric & Gas Company		X
Burke, Patrick	Rockland Electric Company		X
Gill, Richard	UGI Utilities, Inc.		X
Advena, Chris	PJM		X
Hendrzak, Chantal	PJM		X
Herling, Steve	PJM	X	
McGlynn, Paul	PJM	X	
Pincus, Steve	PJM	X	
Sauder, Rich	PJM		X

### 1. Administrative Items

- a. Confirm quorum – Quorum confirmed
- b. Approve Minutes of the December 1, 2010 meeting – Minutes approved

### 2. Electric Vehicle BetterPlace (Chantal Hendrzak)

Ms. Hendrzak reported that PJM continues to support an electric vehicle infrastructure study being conducted by BetterPlace. BetterPlace, who approached PJM to participate in their study, is a venture-backed company working to produce a market-based transportation infrastructure that supports electric vehicles. The study involves modeling the addition of one million electric vehicles in the greater Washington – Baltimore area to determine the impact on the electric grid. The intention is to demonstrate the value of a managed system for vehicle charging, when compared to an unmanaged system. Three different scenarios are being studied: 1) Unmanaged Charging, 2) Consumer Two-Tier Pricing (i.e. pay more during the day), and 3) LMP Based Managed Charging. Analysis should be complete in February. Ms. Hendrzak will invite BetterPlace representatives to attend an upcoming TOA-AC meeting to discuss their results and their intentions for how they will use the results with the PJM data. Ms. Hendrzak noted that the legal or regulatory issues associated with electric vehicles are not part of the study and that PJM is not paying for the study.

**3. WG Group update**

**a. Smart Grid WG – Synchrophasor Project Update (Chantal Hendrzak - PJM)**

Ms. Hendrzak reviewed several new progress reports regarding the Synchrophasor Project in response to the TOA-AC's request at the December meeting. Actual project expenses to date continue to lag behind the original project estimates provided to the DOE, primarily due to the six month delay in obtaining DOE approval. Completion of some PMU installations has been delayed due to difficulty in getting outages scheduled to perform necessary work. This potential schedule risk was identified in the initial DOE baseline reports. Ms. Hendrzak reported there are 83 substation PMU installations planned. To date, seven PMU installations are complete, 36 are in process, and 40 are in the planning stage. Mr. Dodge suggested adding a line to the Project Financials and the PMU Installations vs. Baseline Reports to reflect the revised timeline of projected costs and PMU installations. Ms. Hendrzak will include the number planned to be installed by quarter for the next project update. PJM's phasor data concentrator and visualization software are scheduled to be installed in the first quarter of 2011. Virginia Tech has received the first PMU equipment from SEL for testing, which should begin next week. The overall project is scheduled to be completed by mid-2013.

**b. NERC Alert Facility Ratings WG (Bob Mattiuz – AP and Rich Souder - PJM)**

Mr. Mattiuz reported this working group's primary task was to establish draft criteria to determine the High, Medium and Low priority circuits that will be included in the actual clearance assessment outlined in the NERC Alert concerning facility ratings. The remaining issues associated with this NERC Alert are being addressed by a PJM SOS-T Subcommittee Task Force. Mr. Souder reported that the SOS-T TF is focusing on the operational impacts as potential clearance/rating issues are identified. The Task Force is developing a process to evaluate the implications of each potential issue. The documented process will make clear the roles and responsibilities for each step in the process.

**c. RTEP WG (Takis Laios - AEP)** Mr. Laios indicated that the RTEP WG is continuing to meet and discuss ideas and issues being considered by PJM's RPPTF. The general consensus of the RTEP WG is that they support the proposed 24-month planning cycle for backbone/regional projects. An associated proposal that would establish a four-month project proposal window for backbone/regional projects still needs to be discussed and further developed by the RPP WG before the RTEP WG can review the proposal and establish a consensus.

**4. RPPTF Update (Steve Herling - PJM)**

Mr. Herling reported the RPPTF is identifying required PJM Manual changes necessary to implement a 24-month cycle for backbone/regional projects. Zonal projects would remain on the 12-month planning cycle. PJM plans to have all manual changes identified and completed to support implementing the 24-month cycle in 2012. Within the next few months, the RPPTF will further refine this proposal to allow interested parties a four-month

window to submit alternative backbone/regional projects. This proposal will require changes to the PJM Operating Agreement and the PJM Manuals. The RPPTF has started to address some of the remaining issues within their scope such as entitlements and market/public policy projects. The RPPFT is also reviewing FERC Orders and other documents related to transmission planning processes in other RTO/ISO regions and preparing a side-by-side comparison spreadsheet of various criteria included in the FERC Orders.

#### **5. EIPC Update (Tamara Linde – PSEG)**

Ms. Linde presented an update on the Eastern Interconnection Planning Collaborative (EIPC) activities, including the overall EPIC schedule for the Final Report, which is planned to be issued in October 2012. The Base Infrastructure Case (BIC) is being developed from the solved 2020 Roll Up Case prepared by the Planning Authorities. EISPC established a “challenge process” to include only generation and transmission projects that are reasonably certain to be built in the BIC. This process has resulted in 53 projects being challenged. MAPP, PATH and Susquehanna – Roseland Projects were challenged but remain as proposed by PJM. The final determination on the BIC occurred at a January 18 Webinar. Charles River Associates (CRA) is performing the modeling. CRA will develop eight future scenarios that will be evaluated (i.e. business as usual, carbon constrained, RPS, etc). Each scenario will have nine sensitivities. The assumptions developed for each scenario and the associated sensitivities will need to be reviewed and approved as the process moves forward. Ms. Linde reviewed the EIPC’s recommended NEEM Bubble Representation. The PJM area is modeled as three bubbles: 1) Eastern MAAC, 2) Rest of MAAC and 3) Rest of PJM.

#### **6. FERC NOPR - Transmission and Generation Protection System Maintenance and Testing Reliability Standard (Jeff Mueller – PSEG)**

Mr. Mueller described the December 16, 2010 FERC NOPR RM10-5 concerning NERC Standard PRC-005. The NOPR requests that NERC expand the scope of protection system equipment covered by the PRC-005 standard. Mr. Mueller indicated that comments are due to FERC by February 25, 2011 and that EEI is forming a group to draft comments from the industry.

#### **7. ATSI Zone Incorporation into the PJM OATT, OA and CTOA (Steve Pincus – PJM)**

Mr. Pincus reported that PJM and FirstEnergy are preparing to submit integration filings for ATSI. This next step requires several changes to the PJM Tariff, Operating Agreement and CTOA. The TOA-AC voted and unanimously approved the following three changes: 1) Modify (i) of Section 7.3.5 of the CTOA to end at Attachment H-21 (currently ends at H-17); 2) Include ASTI as a signatory in Attachment A of the CTOA, and 3) Include ATSI to the list of transmission zones and to the map in Attachment J of the OATT.

#### **8. NERC Penalty Cost Allocation Procedural Rule/NERC Position on CFR Registration (Steve Pincus)**

Mr. Pincus indicated that PJM, with NYISO, ISO-NE and ERCOT, made a presentation on December 2 to the NERC Compliance and Certification Committee (CCC) proposing a change to the NERC Rules of Procedure. The proposed change would allow RTO/ISO members to intervene in compliance investigations without the need to obtain FERC’

permission. The NERC CCC recommended that PJM meet again with NERC legal staff to discuss the issue. A meeting with the NERC legal staff is scheduled for January 21, 2011 in Washington, DC. Mr. Pincus stated that the alternative previously proposed by NERC of using the Coordinated Functional Registration (CFR) process is not an acceptable solution. The CFR process is voluntary and does not address the gap completely. During the discussion a concern was raised that some of the tasks in the draft Version 4 of the PJM TO/TOP Matrix may be expanding TO requirements beyond the standard requirements. Mr. Pincus agreed that the matrix should not create any new obligations above the standards and will follow up to ensure this is not occurring.

**9. PJM Baseline eTariff Filing Update (Steve Pincus)**

Mr. Pincus reported that a number of Attachment H issues have been resolved. PJM plans to re-file within the next week and indicated the Attachment H documents will match exactly as they existed on September 17, 2010. Additional changes which have not been previously filed and accepted by the FERC required by the TOs will be handled after this filing is completed. PJM will work with individual TOs on anything they would like to have revised.

**10. Legal Issues Team Update (Randy Palmer – AP/TrAILCo)**

**a. Atlantic Wind Connection (AWC)**

Mr. Palmer stated that FERC granted an extension of time for comments on the AWC petition for a declaratory order with FERC requesting rate incentives for a proposed offshore transmission line connecting to the PJM system at multiple points. The TOs have until January 31, 2011 to submit a pleading.

**b. SECA Compliance Filing**

Mr. Palmer reported FERC has not yet responded to the compliance filing made in August 2010.

**c. MISO Cost Allocation to PJM Load (ER11-1844)**

Ms. Dworetzky indicated that a group of TOs filed a protest to MISO's rate filing on November 17, 2010. PJM also filed a protest with FERC. FERC has a settlement conference scheduled for January 31.

**11. PJM RTEP Update (Steve Herling)**

Mr. Herling reported PJM is currently developing four RTEP Base Cases. A 2014 Base Case has been created for the RPM auction. Cases are also being built for 2015 (retool), 2016 and 2017. The 2015 retool case is a high priority due to specific orders and procedural schedules from Virginia and West Virginia related to the PATH project. Mr. Herling reported several concerns regarding the interconnection process were raised at the Market and Reliability Committee (MRC), including the timeliness of interconnection studies, the inconsistency of interconnection costs, and the timing of when interconnection agreements can be signed. Addressing some of these issues may involve significant changes to the existing interconnection process. Mr. Herling suggested the TOs begin looking beyond the current set of interconnection rules to consider how the process can be improved.

**12. Finance Committee Update (Paul Napoli – PSEG)**

Mr. Napoli described the Finance Committee's efforts to resolve the Tariff Schedule 9 Stated Rate Refund Eligibility issue related to new members integrating with ATSI on June 1, 2011 and with Duke on January 1, 2012. The issue is whether new member activity resulting from the ATSI and Duke integrations should be eligible to receive Tariff Schedule 9 Stated Rate refunds that had accumulated prior to their integration dates. Mr. Napoli discussed several financial, operational and legal impacts of excluding new member activity resulting from the ATSI integration refunds. PJM plans to meet with the Finance Committee on March 30, 2011 and recommend that no revisions to the Tariff Schedule 9 Stated Rate refund mechanisms are required in conjunction with the ATSI or Duke integrations.

**13. Liaison Committee Update – (Tom Bainbridge – FirstEnergy)**

Mr. Bainbridge stated that Marji Philips (PSEG) is now the TO Sector Whip. Dayton Power & Light Company, Exelon and PSE&G will be the Liaison Committee representatives for the meeting held with the PJM Board on February 14, 2011.

**14. Schedule for 2011 meetings**

- February 24, 2011 – *Baltimore (Pier V)*
- April 14, 2011 – *Baltimore (Pier V)*
- May 19, 2011 at Annual Meeting - TBD
- July 14, 2011 – *Baltimore (Pier V)*
- September 21, 2011 – *Baltimore (Pier V)*
- November 10, 2011 – *Baltimore (Pier V)*