WELCOME AND ANNOUNCEMENTS (10:00-10:05)

Mr. Bresler and Mr. Ramey provided opening remarks.

MARKETS RELATED ISSUES

1. MARKET TO MARKET (M2M) SETTLEMENTS (10:05-10:25)

   A. Mr. Shah (MISO) discussed the process for settlement adjustments. Stakeholders were generally receptive to the proposed process.
      
      o Stakeholders requested a historical analysis on the quantity of “self-committed” generation that has a greater than 5% hurt impact on binding M2M constraints along the MISO-PJM seam.
      
      o Both MISO and PJM reiterated to stakeholders that M2M resettlements should occur on an infrequent basis going forward.

   B. Mr. Bresler (PJM) discussed the recent settlement adjustment for Firm Flow Entitlements, providing details regarding how the Firm Flow Entitlement (FFE) error was introduced in October 2012, detected in January 2013 and corrected on February 8, 2013. PJM staff worked with MISO staff to recalculate the adjustment which resulted in a net payment from PJM to MISO of $4.2M which was processed in the March 2013 bill.

2. FIRM FLOW ENTITLEMENTS (FFE) (10:25-10:55)

   A. Mr. Mallinger (MISO) provided a report on the recent performance of the MI-Ontario PARs. He noted that the PARs on the Michigan-Ontario Interface were able to manage loop flows across this interface within ±200 MW bandwidth approximately 82.8% of the time. He also noted that during the time period between April and July 2012 when one of the PARs was operated in the bypass mode, a significant increase in loop flow control was observed as well.

   B. Mr. Advena (PJM) and Mr. Shah (MISO) provided a primer on how the MI-Ontario PARs are currently modeled in market flow and entitlement calculations. A question was asked on MISO’s and PJM’s plan to change modeling of Michigan-Ontario PARs in market flow and firm flow entitlement calculations. Mr. Arness informed the group that MISO and PJM will complete a one year review of operating data and develop recommendations for modeling of PARs in market flow and firm flow entitlement calculations.

   C. Stakeholders discussed options for different treatment of the MI-Ontario PARs with respect to market flow and entitlement calculations. A question was raised asking what the impacts were on transmission congestion between the two operational philosophies of operating the PARs
on the Michigan-Ontario interface to only manage loop flows across this interface versus operating the PARs to minimize overall congestion of the transmission system. Mr. Bresler noted that this type of analysis has not been completed by PJM or MISO to date and is something that should be completed as part of the FFE effort.

3. **DAY-AHEAD (DA) MARKET SOLUTION ALIGNMENT (10:55-11:15)**

   A. Mr. Ward (PJM) and Mr. Casto provided an update on the short term initiative.

   B. Mr. Ward (PJM) and Mr. Casto presented data with respect to DA market solution alignment and stakeholders discussed potential future enhancements.

      a. Stakeholders requested ongoing reporting of DA constraint alignment at future JCM meetings. Mr. Anders noted that the review of these requests will take up a lot of time within future JCM meetings and noted this information would be provided prior to the next meeting for participant review with an expectation that participants will have the opportunity to ask questions on this information.

      b. Stakeholders also requested a training presentation be provided on how the current DA coordination provisions in the MISO-PJM JOA would work if invoked.

4. **FTR UNDERFUNDING (11:15-11:30)**

   Mr. Bresler (PJM) discussed cross market impacts on FTR revenue adequacy. Participants expressed concern with outage timeline differences between MISO and PJM and the creation of flowgates to manage congestion during transmission outages.

   Additional requests and comments included:

   1. An explanation as to why generation outage and transmission outage scheduling timelines not aligned within MISO and PJM?

   2. Expeditious resolution of this issue given continued PJM FTR underfunding which results from outage scheduling differences.

   3. PJM was requested to provide a breakdown of slides # 5 and 6 showing the revenue adequacy for top constrained MISO and PJM Market-to-Market flowgates.

   4. Is the number of outages modeled in the monthly MISO ARR and FTR auctions different by hundreds like they are in PJM? MISO response was yes there are significant differences in the numbers of outages modeled between these two auctions within MISO.

   5. Stakeholders requested MISO and PJM develop proposed JOA changes for outage coordination and flowgate additions.

   Mr. Ramey noted the MISO market operator creates flowgates to manage congestion efficiently across the seam. Outage submission rules are not the primary driver for FTR revenue adequacy issues. Market rules used to allocate transmission rights also impact revenue adequacy. It is just not as simple as changing outage submission rules; however, MISO is working with its Transmission Owners to improve outage submission practices. Additional proposals will be developed by MISO and PJM for stakeholder consideration at future JCM meetings.
Mr. Bresler indicated that MISO’s outage submission timelines are having a significant, negative impact on PJM market results, and that increased coordination with respect to outage scheduling is necessary. PJM committed to provide draft JOA changes addressing outage coordination and the timeline for adding M2M flowgates at the next meeting.

Due to time constraints, Mr. Casto (MISO) summarized MISO presentation noting PJM’s revenue adequacy drivers and future coordination.

5. ALIGNMENT OF SCHEDULING RULES (11:30-11:45)

A. Mr. Arness (MISO) provided an update on the alignment of scheduling rules discussions in MISO.

B. Mr. Bresler (PJM) provided an update on the alignment of scheduling rules discussions in PJM, indicating that PJM’s stakeholder discussion regarding movement toward the MISO intra-hour scheduling rules was on hold pending a FERC decision on MISO’s Order 764 compliance filing.

PLANNING RELATED ISSUES

6. QUEUE COORDINATION (11:45-12:05)

Mr. Berner (PJM) provided a side-by-side comparison of the assumptions and methodologies for generation interconnection processes.

   o A stakeholder requested information relating to currently installed wind generation in MISO footprint. How many of the 12000 MWs of wind interconnection projects were coordinated with PJM and of those how many of them required upgrades in PJM. MISO indicated they would review and provide information.

7. ORDER 1000 (12:45-1:05)

Mr. McGlynn (PJM) and Mr. Doner (MISO) provided an update on the work to address the Order 1000 interregional coordination and cost allocation compliance requirements due on July 10th, including the proposed revisions to the existing JOA planning coordination provisions. Discussions continue between MISO and PJM on the different proposals for Order 1000 interregional cost allocation, given the recent changes in MISO’s cost allocation for reliability projects. Stakeholders requested that additional meetings be held to discuss MISO’s proposed changes to the cross border reliability project cost sharing driven by recent FERC rulings. Stakeholder comments included both support and concerns with the proposed changes MISO discussed for cross-border reliability project cost sharing.

8. CAPACITY DELIVERABILITY (1:05-1:25)

A. Mr. Bresler (PJM) reviewed the list of open issues and new issues submitted by stakeholders.

B. Mr. Bresler (PJM) provided an update on status and next steps. MISO and PJM plan to create a work plan with a timeline to develop proposals to address each issue. Stakeholders were requested to identify any additional issues and to send them to Kevin Larson and/or Stu Bresler.
GOVERNANCE

9. STATE COMMISSION INVOLVEMENT (1:25-1:40)

Chairman Montgomery provided a summary of the changes that have been incorporated into the JCM process. Chairman Montgomery noted that there were a couple of open issues remaining which did not need to be taken up at this time.

10. RTO STAKEHOLDER PROCESSES (1:40-2:20)

Mr. Anders (PJM) and Mr. Hillman (MISO) provided overviews of the PJM and MISO stakeholder processes.

Stakeholders requested the development of a side-by-side comparison on how 205 filings or tariff changes are made within PJM and MISO stakeholder processes.

ADMINISTRATION AND FUTURE ACTIVITIES

11. ISSUE STATUS (2:20-2:50)

A. Mr. Williams (PJM) reviewed the Stoplight Report. The posted stoplight report was noted as having a few minor updates which were covered during the presentation.
   o An informational status report/presentation was requested to be provided at the next JCM meeting on interchange optimization.
   o An additional presentation on the NYISO-PJM interchange optimization efforts Coordinated Transaction Scheduling was requested

B. Mr. Anders (PJM) reviewed the results of the common JCM prioritization survey, including impacts on future JCM work plan. Fleshing out the work plan and stop light report to increase transparency along with milestones for completion were requested to allow participants to clearly understand the progress being made on JCM items.

12. NEXT STEPS & OPEN DISCUSSION (2:50-3:00)

Participants were provided the opportunity for open discussion regarding Joint and Common Market topics.

A. A question was raised on where the item submitted by TVA fell into today’s meeting agenda and if this item was discussed. Mr. Bresler indicated that PJM was continuing to work with TVA regarding their concerns and a presentation was requested from TVA at the next JCM meeting for TVA to present their seams issues and concerns for discussion and resolution within the JCM process.

FUTURE MEETINGS

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 12, 2013</td>
<td>MISO Headquarters, Carmel, IN</td>
<td>10:00 a.m. – 3:00 p.m.</td>
</tr>
<tr>
<td>September 20, 2013</td>
<td>PJM Headquarters, Valley Forge, PA</td>
<td>10:00 a.m. – 3:00 p.m.</td>
</tr>
<tr>
<td>November 8, 2013</td>
<td>MISO Headquarters, Carmel, IN</td>
<td>10:00 a.m. – 3:00 p.m.</td>
</tr>
</tbody>
</table>