WELCOME AND ANNOUNCEMENTS

Mr. Anders began the meeting today at 10 am and noted Commissioners Webb and Montgomery being present for today’s meeting. In addition, Mr. Bresler provided opening remarks to meeting participants.

MARKET RELATED ISSUES

1. MARKET TO MARKET SETTLEMENTS ADJUSTMENTS (10:00 – 10:15)

MISO and PJM staff discussed the settlement adjustments, including those related to PJM’s Merit Order issue and MISO’s Monthly Load Forecast issue. Ron Arness provided a description of the settlements adjustments being evaluated and noted resettlement calculations are currently underway.

2. FORWARD MARKETS COORDINATION (10:15 – 10:45)

A. MISO and PJM staff provided an update on enhanced coordination efforts for FTR Processes. Tim Horger, PJM, noted the many coordination efforts that MISO and PJM currently have in place and presented additional opportunities for improvement especially in the notification of upcoming transmission outages prior to FTR auction timelines. Shyama Sonti, MISO, also provided clarifying comments on the timing of modeling changes and FTR processes currently in place within MISO.

B. MISO and PJM staff provided an update on enhanced coordination efforts for DA Market Processes. Aaron Casto, MISO, presented a conceptual proposal to improve Day-ahead market coordination for stakeholder consideration.

3. OUTAGE SCHEDULING RULES (10:45 – 11:45)

MISO and PJM staff continued stakeholder discussion regarding proposals for enhancing market coordination at the seam through improved coordination of outages. Stu Bresler provided a presentation on PJM’s analysis on the financial impact the addition of flowgates within PJM’s FTR auction timelines has on PJM FTR revenue adequacy. Mr. Bresler also noted that PJM has made a proposal to MISO to limit the inclusion of flowgates into market-to-market coordination which were submitted after each RTO’s respective FTR auction timelines. Joe Gardner provided a presentation on MISO’s analysis of the data provided by PJM and noted that the short-scheduled outages are not an appreciable driver of the PJM FTR underfunding. Mr. Gardner noted, nonetheless, that MISO will continue to work with their TOs to improve outage notification timeline. Mr. Gardner also provided the MISO perspective on market-to-market (M2M) coordination and emphasized that
M2M coordination should not be restricted since it provides most economically efficient solution to manage congestion and that the alternatives would result in higher cost to the load in both RTOs. MISO and PJM staff agreed that the next steps are to improve coordination and ensure advance notification of constraints for the FTR auction timelines.

4. **INTERFACE PRICING (12:30 – 1:15)**

   A. MISO and PJM staff provided an update on MISO and PJM interface pricing calculations. Dhiman Chatterjee, MISO, provided an update on MISO’s interface price analysis. Mr. Chatterjee also presented a proposal MISO is considering changes to their interface price calculation from using all generator buses within PJM to a subset of PJM generation buses on an interface by interface basis which will result in improved interface price alignment with PJM.

   B. Dr. David Patton, Potomac Economics, provided an update on the MISO and PJM interface pricing error he believes is occurring when a market-to-market constraint is binding in both markets. Both PJM and MISO staffs indicated they are looking into this issue deeper. A stakeholder also requested Monitoring Analytics work with Potomac Economics to provide their input on whether this is a concern which should be addressed through the JCM process.

5. **INTERCHANGE OPTIMIZATION (1:15 – 2:00)**

   MISO and PJM staff provided an update on the ongoing analysis regarding historic interchange scheduling and progress with respect to MISO-PJM interchange optimization. Jeff Schmitt provided a presentation which highlighted the study efforts completed by MISO and PJM following the July 6, 2012 event and discussed plans for resuming interchange optimization discussions going forward. A stakeholder noted support for MISO and PJM continuing analysis efforts into inefficiencies in interchange which may be driving operator actions with ultimate efforts to develop proposals to improve interchange scheduling efficiency and stability. Dhiman Chatterjee, MISO, presented an updated cost-benefit analysis based on recent summer operations.

**PLANNING RELATED ISSUES**

6. **CAPACITY DELIVERABILITY (2:00 – 2:30)**

   Vikram Godbole, MISO, and Paul McGlynn, PJM, provided an update on the fact-finding analysis for the Capacity Deliverability issue. Stakeholder feedback was received on the phases and milestones presented. The RTO staffs indicated that the FERC Filings noted will be developed and submitted as needed going forward.

7. **GUIDING PRINCIPLES OF CONGESTION MANAGEMENT PROCESS AND MARKET TO MARKET PROCESS (11:45 – 12:00)**

   MISO and PJM staff planned to present guiding principles for alternatives to current freeze date approach to establish Firm Flow Entitlements. This item was deferred today due to time constraints.
ADMINISTRATION AND FUTURE ACTIVITIES

8. INTEGRATED WORK PLAN (2:30 – 2:45)

MISO and PJM staff reviewed the integrated work plan for the identified JCM issues/topics which RTOs are planning to submit to the Commission.

9. ISSUE STATUS AND FUTURE AGENDA ITEMS (2:45 – 3:00)

A. MISO and PJM staff reviewed the Stoplight Report. Stan Williams noted the items that have been completed on the stop light report as well as the change in status on the Interchange Optimization from on-hold to on-target per the current JCM Integrated Work Plan.

B. MISO and PJM staff reviewed issues/topics to be covered at the future JCM meetings. A stakeholder noted the next agenda looks like a lot like the agenda for today’s meeting. A suggestion was made that MISO and PJM consider setting the agenda per stakeholder priorities to allow more time for discussion on items that need deeper discussion and tabling items that are not of immediate import.

FUTURE MEETINGS

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>November 8, 2013</td>
<td>MISO Headquarters, Carmel, IN</td>
<td>10:00 a.m. – 3:00 p.m.</td>
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<tr>
<td>January 24, 2014</td>
<td>PJM Headquarters, Valley Forge, PA</td>
<td>10:00 a.m. – 3:00 p.m.</td>
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<tr>
<td>March 21, 2014</td>
<td>MISO Headquarters, Carmel, IN</td>
<td>10:00 a.m. – 3:00 p.m.</td>
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