MARKET RELATED ISSUES

1. CONSTRAINT IDENTIFICATION AND COORDINATION (10:05 – 10:35)
   Stu Bresler (PJM) and Joe Gardner (MISO) provided an update on constraint identification and enhanced coordination. PJM noted they will maintain a close eye on constraints associated with short-term flowgate additions going forward and may need to take alternative actions if PJM market results are significantly impacted. MISO believes the efforts being undertaken to enhance forward markets coordination will effectively address constraint coordination issues.

2. ENHANCED FORWARD MARKETS COORDINATION (10:35 – 11:00)
   Tim Horger (PJM) and Shyama Sonti (MISO) provided an update on enhanced coordination efforts for FTR Markets. PJM noted they have adjusted the timing of their FTR market which allows for increased coordination with MISO and has facilitated enhanced data exchange for both the FTR and Day-Ahead markets. Next step efforts include coordination of constraints for the annual process, and continue exchange of constraints and outages in monthly auctions.

3. MODELING OF ONTARIO-MICHIGAN PARS IN M2M PROCESS (11:00 – 11:30)
   Tom Mallinger (MISO) and Stu Bresler (PJM) presented analysis of the performance of the PARs to evaluate potential changes to modeling of pars in the market flow and firm flow entitlement calculations. This analysis shows that PARs were able to keep Lake Erie loop flow within a ±200 MW control band during 73.1% of the 15-minute periods during the one-year study period. The simulated loop flow calculated without PAR control would only have been within the control band for 43.4% of the year. MISO recommended the modeling of the Ontario-Michigan PARs in M2M processes should be aligned with current modeling practices in the IDC. PJM is not in agreement that the increased control, due to the bandwidth used, is sufficient to warrant a change in the modeling of the Michigan-Ontario PARs from free flowing ties to open circuits. PJM and MISO staffs were encouraged to continue discussions on this item.

4. MARKET FLOW/COMMERCIAL FLOW ENHANCEMENT (11:30 – 12:00)
   Ron Arness (MISO) and Tim Horger (PJM) provided an update on the three party (MISO, PJM and SPP) discussions related to consistency as well provided a primer on PJM proposal for market flow/commercial flow enhancement. The short-term market flow discussions between MISO, PJM and SPP have determined that it is not necessary to use identical methodologies to calculate market flows as long as they are applied consistently. PJM and MISO have agreed to apply the marginal zone calculation for FFE and Market Flows. The filings by all parties are currently underway and implementation is expected to be completed by June 1, 2014. The RTOs will
continue to evaluate the market flow/commercial flow enhancement and provide future JCM meeting updates.

5. **INTERFACE PRICING (12:30 – 1:30)**

Dhiman Chatterjee (MISO), Rebecca Carroll (PJM), Dr. Patton (Potomac Economics – MISO IMM) and Dr. Bowring (Monitoring Analytics – PJM IMM) provided updates on the on-going discussions to address the issue of “Overcharging of Congestion in Interface Prices” raised by the MISO IMM. PJM noted that they would be moving forward with a revised interface definition. Stakeholders requested underlying principles be included in proposals for stakeholder consideration.

PLANNING RELATED ISSUES

6. **CAPACITY DELIVERABILITY (1:30 – 2:00)**

Vikram Godbole (MISO), Digaunto Chatterjee (MISO), and Paul McGlynn (PJM) provided updates on the progress of fact-finding investigation. Initial results were presented to stakeholders with final results being anticipated for presentation and discussion at the March JCM meeting or shortly after. Stakeholders suggested that additional time at a JCM or separate meeting to review the results in more detail may be necessary.

7. **MARKET PARTICIPANT FUNDED UPGRADES (2:00 – 2:30)**

Laura Rauch (MISO) and Tim Horger (PJM) provided a primer on individual RTO processes for market participant funded upgrades and the associated Incremental ARR requests.

ADMINISTRATION AND FUTURE ACTIVITIES

8. **UPDATE ON ANY OUTSTANDING MARKET TO MARKET SETTLEMENTS ADJUSTMENTS (2:30 – 2:45)**

Ginger Quintavalla (PJM) and Ron Arness (MISO) staff updated stakeholders on two outstanding settlement adjustments under the JOA. The resettlement work has been completed on the PJM Merit Order and the MISO Load Forecast Error. Ron noted the total adjustment is approximately $8.5 million and is anticipated to be completed by June 2014. PJM and MISO are also working on a new resettlement issue involving Quad Cities tagging, and updates will be provided at future JCM meetings.

9. **ISSUE STATUS (2:45 – 3:00)**

Ron Arness (MISO) reviewed the Stoplight Report and drill-down report, and reviewed draft, JCM issues/topics to be covered during the future JCM meetings. Ron noted the drill-down report is in progress and will be available again in the future. Ron noted the modeling of the Michigan-Ontario PARs, interface pricing, interchange optimization and capacity deliverability will be the key topics for the next JCM meeting.
<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<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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<tr>
<td>May 28, 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>July 24, 2014</td>
<td>MISO Headquarters, Carmel, IN</td>
<td>10:00 a.m. – 3:00 p.m.</td>
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