1. **ADMINISTRATION**

   CDS approved the minutes from the 258th CDS held on 1/31/11 by acclamation.
   CDS approved the agenda for the 259th CDS by acclamation.
   PJM Reviewed Antitrust Guidelines.
2. **CDS STATUS UPDATE**

CDS Chair, Stan Williams recommended training on PJM's new Stakeholder Process, outlined in Manual 34. The stakeholder training will be held March 15th and 16th and registration is available on pjm.com.

3. **MANUAL 15 LANGUAGE FOR NON-REGULATORY OPPORTUNITY COSTS**

The draft manual language for inclusion of Non-Regulatory Opportunity Costs was endorsed with minor changes. This manual language will go to the Markets and Reliability Committee (MRC) for information on March 23, 2011. This issue can be found on issue tracking.

4. **STANDARDIZATION OF COST BY UNIT TYPE**

George Fee, AEP, presented a problem statement about standardizing cost calculations. The CDS decided to roll this issue into the problem statement for VOM definition (item 6). PJM will update the educational document to include VOM policies from other RTOs.

5. **NO LOAD FUEL/COST: ISSUE TRACKING LINK**

Please refer to Manual 34, Chapter 7, page 25 for details on the issue resolution process.

PJM presented a preliminary educational document on the Definition of No Load. The document will be enhanced by modifying the two appendixes to work together and ensure that the dispatch example curves are representative of real units. CDS then moved on to interest identification. The following interests were identified:

- Current practices should be appropriate reflected in the market rules. The rules should reflect the need for adjustment of no load to create monotonically increasing offer curves
- Create rules that result in the consistent development of No Load costs for Combined Cycles

CDS then moved on to design criteria. The following design criterion was identified:

- Development of a single method and preferred definition of no load.
- Create a clear procedure for calculation of no load costs
- The need to adjust no load costs to create monotonically increasing curves must be maintained
- Solution cannot require finer information granularity than physically exists
- Development of a clear calculation procedure so that no load that is calculated by the MMU and by market participants should be the same number

6. **VARIABLE OPERATING AND MAINTENANCE (VOM) COST DEFINITION: ISSUE TRACKING LINK**

PJM presented an educational document about VOM. Based on feedback, PJM will refine the material further and review it at the next meeting. A section will be added to cover how other RTOs handle VOM. The problem statement will be revised to include the concept of standardization of default VOM values by unit type. Stakeholders discussed their desire to focus on activities that minimize references to FERC Accounts.

7. **CDS WORK PLAN AND FUTURE TOPICS**

Information for Unit types not Addressed by Manual 15

- Immature Unit Definition
- Combined Cycle Modeling
- Cyclic Peaking Factors for Combined Cycle units: Issue Tracking (referred by MRC)
- Treatment of Units under Long Term Contracts (Legacy item)
8. **FUTURE MEETINGS**

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<tr>
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<tbody>
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<td>Monday, March 21, 2011</td>
<td>10:00 am until 2:00 pm</td>
<td>PJM Interconnection Offices</td>
</tr>
<tr>
<td>Monday, April 25, 2011</td>
<td>10:00 am until 2:00 pm</td>
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