MEMBERS IN ATTENDANCE:

- Williams, Stan (Chair)  
  PJM Interconnection  
  Not Applicable
- Ciampaglio, Tony  
  Constellation Energy Commodities Group, Inc.  
  Other Supplier
- Gomez, Luis  
  Exelon Generation Co., LLC  
  Transmission Owner
- Lopez, Johny  
  PSEG Energy Resources and Trade LLC  
  Transmission Owner
- Palcic, Ron  
  FirstEnergy Solutions Corp.  
  Transmission Owner
- Walter, Laura (Secretary)  
  PJM Interconnection  
  Not Applicable

ALSO IN ATTENDANCE:

- Dugan, William  
  Monitoring Analytics, LLC  
  Not Applicable
- Hauske, Tom  
  PJM Interconnection  
  Not Applicable
- Modi, Vikram  
  Monitoring Analytics LLC  
  Not Applicable

IN ATTENDANCE VIA WEB EX / TELECONFERENCE:

- Filomena, Guy  
  Customized Energy Solutions, Ltd.*  
  Not Applicable
- Hoag, Richard  
  FirstEnergy Solutions Corp.  
  Transmission Owner
- Horstmann, John  
  Dayton Power & Light Company (The)  
  Transmission Owner
- Miller, Rod  
  PPL Generation, LLC  
  Transmission Owner
- Schofield, Bill  
  Customized Energy Solutions, Ltd.*  
  Not Applicable
- Siegrist, Hal  
  GenOn Energy Management, LLC  
  Generation Owner

1. **ADMINISTRATION**

   CDS endorsed the minutes from the 265th CDS held on 9/12/2011.

   CDS endorsed the Agenda for the 266th CDS.

2. **CDS STATUS UPDATE**

   [FERC issued an order on non-regulatory opportunity cost on October 6, 2011.](#)  
   Stan Williams, PJM explained that the order accepted PJM’s revisions to the OA and OATT with the exception of the 50/50 outage rule. FERC requires PJM to issue a revised filing in the next 30 days. Currently, if a unit uses the opportunity cost calculator and runs out of hours, it will be classified according to GADs whether it is forced or OMC. CDS on whole had no problem with the FERC order on the 50/50 rule, with the provision that it can be revisited later should it become problematic.
3. **VOM, ACR AND CT EXPENSES**

Hal Siegrist, GenOn, presented a problem statement and manual language. CDS discussed the problem statement, and endorsed discussing the issue at the next meeting. The Market Monitor objected based on process as this Manual language was voted down by CDS at the 1/5/2011 meeting; however the IMM does agrees with this change, but feels it is being handled in the current VOM discussion (item 6). CDS agreed that this issue should be expedited so that Overhaul costs for CCs and CTs can be added into ACR for the next BRA (May 2012). Mr. Siegrist will coordinate with PJM to bring updated manual language consistent with the current version.

4. **NON-REGULATORY OPPORTUNITY COST: MANUAL 15 LANGUAGE**

Laura Walter, PJM, presented manual language to incorporate all FERC approved methods and reasons for opportunity cost into Manual 15, Section 9. CDS endorsed this manual language with minor revisions.

5. **NO LOAD: ISSUE TRACKING LINK**

Tom Hauske, PJM, presented revised Manual 15 language for No Load calculations, including an attachment with several examples for discussion. The manual language allows two methods for calculating no load; both methods seemed to be acceptable to CDS. CDS members shall review the manual language and examples; endorsement will be sought at the November meeting. PJM staff will work with Stakeholders as needed.

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

Laura Walter, PJM, presented a white paper on Avoidable Cost Rate (ACR) timing. She explained that this was a high level view of the Reliability Pricing Model (RPM) and energy markets. CDS had questions about the Energy and Ancillary Service offset calculation, PJM will attempt to answer these questions at the November meeting. CDS then revisited the consensus matrix item number seven “Addresses Capital versus Expense accounting practices”. Some members were concerned with being able to track their costs consistently without adding a new accounting construct. New solutions were added to the matrix but no consensus was found. PJM staff will attempt to resolve the accounting practices question and bring compromise positions to the next CDS.

7. **INFORMATION FOR UNIT TYPES NOT ADDRESSED BY MANUAL 15: ISSUE TRACKING**

CDS prioritized the units and will address them in the following order:

1. Solid Waste or Biomass (PJM will bring manual language to the next CDS)
2. Wind
3. Hydro (Run of River)
4. Solar
5. Energy Storage Units

8. **CDS WORK PLAN AND FUTURE TOPICS**
   Immature Unit Definition: [Issue Tracking]
   Combined Cycle Modeling: [Issue Tracking]
   Cyclic Peaking Factors: [Issue Tracking] (referred by MRC)

9. **PROPOSED 2012 FUTURE MEETINGS**
   CDS will be asked to endorse the following schedule at the November meeting:

   Monday, January 9, 2012    10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, February 13, 2012 10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, March 12, 2012    10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, April 9, 2012     10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, May 7, 2012      10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, June 11, 2012    10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, July 9, 2012     10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, September 10, 2012 10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, October 15, 2012 10:00 am until 3:00 pm   PJM Interconnection Offices
   Monday, November 5, 2012 10:00 am until 3:00 pm   PJM Interconnection Offices

10. **FUTURE MEETINGS**
    Monday, November 14, 2011  10:00 am until 2:00 pm   PJM Interconnection Offices
    Monday, December 12, 2011  10:00 am until 2:00 pm   PJM Interconnection Offices

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