MINUTES
COST DEVELOPMENT SUBCOMMITTEE (278TH MEETING)
PJM CTC
JANUARY 7, 2013 10:00AM

Members Present:

Schmitt, Jeff (Chair)  PJM Interconnection, LLC  Not Applicable
Scarpignato, David  Direct Energy Business, LLC  Other Supplier
Walter, Laura (Secretary)  PJM Interconnection, LLC  Not Applicable

Also in Attendance:

Pratzon, David  GT Power Group  Not Applicable
Josyula, Siva  Monitoring Analytics  Not Applicable
Dugan, William  Monitoring Analytics, LLC  Not Applicable
Hauske, Thomas  PJM Interconnection, LLC  Not Applicable
Ogburn, Rus  PJM Interconnection, LLC  Not Applicable
Zadlo, Tom  PJM Interconnection, LLC  Not Applicable

Attended via Teleconference / WebEx:

Filomena, Guy  Customized Energy Solutions, Ltd.*  Not Applicable
Hastings, David  DHast Co.  Not Applicable
Eichorn, Sarah  PJM Interconnection, LLC  Not Applicable

1. Administration

Mr. Schmitt, PJM, reviewed the Antitrust, Code of Conduct, Media Participation Policy and roll call.

CDS endorsed the minutes from the 277th CDS held on November 12, 2012 and the Agenda.

Mr. Schmitt, PJM, reviewed the status of Unit Types not Addressed in Manual 15 and Demand Response Shutdown costs going to the next Members Committee and noted that station service rates were updates for the first quarter of 2013.

2. Regulation Market Cost-Based Offers (10:10-11:10) Issue Tracking

CDS reviewed the consensus based resolution matrix and came up with a unanimous agreement on within the group. PJM will come back with drafted manual language, any information on how the current values were calculated, if there is any way to break out the performance portion of VOM and an explanation (graphical) on how the 30 day average would be different from an annual value.

3. Cyclic Peaking Factors (11:10-12:00) Issue Tracking

Mr. Hauske, PJM, reviewed the consensus based resolution matrix with the group. CDS discussed the changes that were made in moving overhaul and major inspection cost to the RPM market and the difference between starting and peaking factors. Stakeholders also expressed concern that removing the peaking factors would cause units to be
over dispatched in the peaking range. PJM will send out the revise matrix post meeting. CDS will attempt to develop a consensus solution at the next meeting. Participants are encouraged to email waltel@pjm.com if they would like anything additional added to the matrix.

4. **Future Agenda Items (1:00-1:10)**

   Unrecovered Fuel Cost: **ISSUE TRACKING**

   No additional item(s) were added to future agendas.

5. **Future meeting dates (1:10-1:15)**

   - Friday, February 8, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, March 4, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, April 1, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, May 6, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, June 3, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, July 15, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, September 9, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, October 7, 2013 10:00 am until 3:00 pm  PJM CTC
   - Monday, November 4, 2013 10:00 am until 3:00 pm  PJM CTC

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