MINUTES
PJM Interconnection
Reliability Standards and Compliance Subcommittee

Monthly WebEx
Friday, March 22, 2013
10:00 A.M. EDT

1. Call to Order:
Reliability Standards and Compliance Subcommittee Secretary Thomas Moleski called the meeting to order at 10:00 a.m.

a. Members Attending via WebEx:
Albert DiCaprio  PJM Interconnection (Acting Chair)
Thomas Moleski  PJM Interconnection (Secretary)
Douglas Adams  Baltimore Gas and Electric Company
Eric Adolphson  RC Cape May Holdings, LLC
Kenneth Brown  PSEG Energy Resources and Trade LLC
Elizabeth Davis  PPL EnergyPlus, L.L.C.
Daniel Duff  Liberty Electric Power, LLC
Michael Kryger  Edison Mission Marketing and Trading, Inc.
Mark Godfrey  PEPCO Holdings, Inc.
Stacey Harman  Baltimore Gas and Electric Company
Mike Hurd  Dayton Power and Light Company (The)
Doug Jerzycke  Exelon Generation Co., LLC (Power Team)
Christy Koncz  Public Service Electric & Gas Company
John Loftis  Virginia Electric & Power Company
Connie Lowe  Dominion Virginia Power
Gregory Miller  Baltimore Gas and Electric Company
Susan Norton  Cleveland Public Power
Larry Raczkowski  FirstEnergy Corporation
Joe Roettker  Duke Energy Ohio, Inc.
Chris Scanlon  Commonwealth Edison Company
William Smith  Trademark Merchant Energy, LLC
Robert Thomas  Illinois Municipal Electric Agency
David Thorne  Potomac Electric Power Company
Brenda Truhe  PPL Electric Utilities Corporation d/b/a PPL Utilities
Wayne Van Liere
Louisville Gas & Electric Co./Kentucky Utilities Co.

**c. PJM Staff:**
Bradley Hofferkamp  
PJM Interconnection
Srinivas Kappagantula  
PJM Interconnection
Megan McLaverty  
PJM Interconnection
Stephanie Monzon  
PJM Interconnection
Medha Pai  
PJM Interconnection
Joseph Rushing  
PJM Interconnection
David Schweizer  
PJM Interconnection
Cathy Wesley  
PJM Interconnection

**d. Administrative Documents**
Mr. Moleski referred to the Antitrust Guidelines, the Compliance Disclaimer, and the Media Guidelines that were included with the Agenda. There were no questions on the documents as presented.

**e. Approval of the Agenda**
Mr. Moleski called for additions to the agenda. No items were added to the agenda.

**f. Minutes**
The minutes from the February 21, 2013 were approved as amended.

**2. FERC Activities:**
Mr. DiCaprio led a discussion on recent FERC activities:
1) FERC Order 777
   i. FERC approved the FAC-003-2 Standard (Transmission Vegetation Management), FAC-003-2 expands the applicability of the standard to include
      1. overhead transmission lines that are operated below 200 kV, if they are either an element of an IROL
      2. an element of a Major WECC Transfer Path.
   ii. incorporates a new minimum annual inspection requirement
   iii. incorporates new minimum vegetation clearance distances.

**3. NERC Activities:**
Mr. DiCaprio led the following discussions
1) NERC PC Meeting
   i. Exemption process for the BES was discussed
   ii. Geo-Magnetic Disturbance Operating Procedures Template was discussed.
2) NERC Compliance Committee Meeting
   i. Discussion on the Reliability Standards Advisory service that NERC is offering to the industry.
      1. Voluntary program offered to the ISOs. NERC will review operations and internal controls

3) Project 2012-08.1 – Phase 1 of Glossary Updates: Statutory Definitions
   i. Standards Review Committee has no comments
   ii. Being posted for a 30-day formal comment period from February 21 through March 22, 2013.
   iii. Successive ballot will be conducted March 13 through March 22, 2013.

4) Project 2007-02 – (Com-003) Operating Personnel Communications Protocols (covers three-part communications during normal operations)
   i. The drafting team adopted many of the recommendations of commenters and attendees of the “Communications in Operations Conference” of February 14-15, 2013, in Atlanta, and incorporated them into the latest draft.
   ii. Concerned voiced that these changes have pushed this Standard into the “fill-in-the-blank” category
      1. Even if passed, FERC is likely to reject as inappropriate
      2. Changes further diluted a standard that had questionable reliability benefit to start.
   iii. PJM has been supportive of past versions, likely to NOT support this one.
   iv. Formal comment period is open through 8 p.m. Eastern on Friday, April 5, 2013.
   v. Successive ballot of COM-003-1 and a non-binding poll of the associated VRFs and VSLs will be conducted beginning on Wednesday, March 27, 2013 through 8 p.m. Eastern on Friday, April 5, 2013.

5) Phase 1 of Balancing Authority Reliability-Based Controls: Reserves
   i. BAL-001-1 Real Power Balancing Control Performance
      1. Team is offering to change the definitions involving reserve sharing groups
      2. Some question on whether the original Standard Authorization Request even allowed for changes to BAL-001
      3. Area Control Error definition changed, but is only applicable to WECC.
      4. Posted for 45-day formal comment periods through April 25, 2013:
   ii. BAL-002-2 Contingency Reserve for Recovery from a Balancing Contingency Event
      1. Expands the definition of a “Reportable Event”
      2. Requires the BA to carry reserves in excess of the most severe single contingency at all times (a dip into reserves during a sharp pickup could cause a non-compliance)
      3. New to the standard is an expectation to recover from multi-contingency events.
      4. Consequence is a likely increase in production cost, with no corresponding increase in reliability.
5. Posted for 45-day formal comment periods through April 25, 2013:
   iii. BAL-013-1 Large Loss of Load Performance
       1. Discussion on whether or not this is a reliability issue.
       2. Posted for 45-day formal comment periods through April 25, 2013:
   iv. BAL-012-1 Operating Reserve Policy
       1. failed to achieve the required two-thirds industry approval in its most recent ballot.
       2. based on comments received at that time, the SDT elected to cease any further development.

There was no CAN activity to report on.

4. **Regional Entities Activities:**
   Ms. Monzon reported that there were no new Regional Entity activities to report.

5. **NERC and Regional Coordination Dept. Compliance Activities:**
   Mr. Moleski reported on the following compliance activities
   1) CIP Spot Check and 693 Audit –
      i. Currently in settlement discussions. No change in status
   2) Kenzie Creek CVI –
      i. NOV issued. No change in status
   3) 2010 Frequency Excursion Spot Check
      i. NOAV issued for TOP-006 R5. No change in status
   4) Upcoming RFC TO Audits
      i. BGE week of July 22
      ii. PECO week of September 23
      iii. UGI week of December 9
   5) FERC Audit
      i. Ms. Monzon reported that work is ongoing on PJM's Action Plan
      ii. Ms Pai reported that the audit inquiries on CIP-002 (Critical Asset Identification and Critical Cyber Asset Identification) were extensive.
      1. FERC held to the stated purpose of a Performance audit (not Compliance).
      2. PJM demonstrated compliance, but the FERC was pushing for the “next level”
      3. Suggestions made were to improve processes that were already judges to be fully compliant.
   6) Compliance Activities
      i. PJM’s RFC & SERC 693 Audit – April 9th - 12th, 2013
      ii. EKPC Certification – April 17th – 19th, 2013
      iii. PJM’s RFC & SERC CIP Audit – April 22nd – 26th, 2013
6. Member Issues:

1) EOP-005-2 – R13 Compliance Discussion
   i. There are no agreements for Blackstart Resources in PJM. This is handled under the PJM OATT and the PJM Manuals.

2) A discussion on PJM’s reaction to the GMD guidelines was requested for a future RSCS Meeting.

3) A discussion on PRC 25 (Generator Relay Loadability) was requested for a future RSCS Meeting.

4) A discussion on MOD-026-1 (Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions) and MOD-027-1 (Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions) was requested for a future RSCS Meeting.

8. Future Meeting Dates:

Monthly WebEx: Third Friday of every month, except months where a quarterly Face-to-Face meeting is scheduled.

The next meeting will be a WebEx on April 19th. Details will be announced and posted to the PJM website.

2013 RSCS Meeting Dates:

1) Friday April 19th, 2013 – WebEx
2) Thursday May 16th, 2013 – Face to Face
3) Friday June 21st, 2013 – WebEx
4) Friday July 19th, 2013 – WebEx
5) Thursday August 15th, 2013 – Face to Face
6) Friday September 20th, 2013 – WebEx
7) Friday October 18th, 2013 – WebEx
8) Thursday November 21st, 2013 – Face to Face
9) Friday December 20th, 2013 - WebEx

9. Adjourn:

Mr. Moleski adjourned the meeting at 10:48.