



Markets and Reliability Committee Report
PJM Interconnection
Members Committee Webinar
February 24, 2013

The Markets and Reliability Committee (MRC) met on January 30, 2013 at the Chase Center in Wilmington, DE. The following topics were discussed at the meeting:

Topics for Information

A) **Gas /Electric Coordination Cold Weather Operations**

Mr. Ott thanked the Members for the excellent coordination during the recent cold weather operations. He noted that there will be additional opportunities for reporting out on the cold weather operations, and that there are several lessons learned that will require consideration of changes to PJM operations related to Gas/Electric Coordination, specifically timing of the Day-Ahead market with respect to gas day nominations, and resolution of electric markets and gas nominations for weekend operations. He indicated that the Gas Electric Senior Task Force (GESTF) would be asked to initiate activities on these issues.

B) **Frequently Mitigated Unit (FMU) Adder**

Mr. Ott discussed the Market Implementation Committee's consideration of the FMU Adder issue related to PJM's request to resolve this issue on an expedited basis. He noted that PJM had received feedback that additional time for consideration, and that he agreed that a one or two month extension for additional consideration was appropriate.

C) **Capacity Import Limit**

Mr. Ott discussed the recently received deficiency letter received from the FERC regarding the PJM Capacity Import Limit filing. He noted that PJM will respond to the FERC questions as soon as possible (before the 30 day requirement), and that PJM planned to post the 2017/18 RPM Planning Parameters on time, and were not impacted by the FERC letter.

Topics for Endorsement

D) **PJM Manuals**

1. Mr. Sims presented proposed revisions to Manual 14B: PJM Region Transmission Planning Process related to the capacity import limit calculation. Following discussion, the committee endorsed the proposed revisions subject to FERC approval of PJM's filing of related Tariff revisions by acclamation with two objections and 18 abstentions.

E) **Proposed Demand Response Product Substitution Clarification**

Mr. Langbein presented proposed manual revisions to clarify tariff provisions that allow demand response capacity product substitution during a product specific emergency demand response dispatch. Following discussion, the committee endorsed the proposed revisions by acclamation with no objections and one abstention.

F) **QTU Deficiency Charge and Credit Rate**

Ms. Durand, representing H-P Energy, will present a proposed Problem Statement / Issue Charge related to QTU Deficiency Charge and Credit Rate. Mr. Baker suggested that the work should be assigned to the MIC rather than the Credit Subcommittee; there were no objections to this amendment. Following discussion, the committee endorsed the proposed Problem Statement / Issue



Charge as amended by acclamation with one objection and one abstention.

First Readings

- G) Gas / Electric System Operator Communications
Mr. McNamara discussed a proposed Problem Statement and GESTF Charter revisions presented at the December 19, 2013 MRC meeting which allow the GESTF to consider Gas/Electric System Operator Communications. Following discussion, the committee approved the proposed Problem Statement and Charter revision by acclamation with no objections and eight abstentions. Mr. Helm discussed the related recently FERC approved waivers and presented proposed Operating Agreement revisions related to sharing of information between gas pipeline operators and electric transmission providers. The committee will be asked to endorse the proposed OA revisions at its next meeting.
- H) System Restoration Strategy Senior Task Force (SRSTF)
Ms. Hendrzak presented proposed revisions to Black Start Compensation developed by the SRSTF. The committee will be asked to endorse the proposed revisions at its next meeting.
- I) Enhanced Inverter Capabilities
Mr. Koza presented a proposed Problem Statement / Issue Charge regarding enhanced inverter capabilities. The committee will be asked to approve the proposed Problem Statement / Issue Charge at its next meeting.
- J) Replacement Capacity
Mr. Baker presented proposed Tariff and Reliability Assurance Agreement revisions related to Replacement Capacity. The committee will be asked to endorse the proposed revisions at its next meeting.
- K) Energy Market Uplift Senior Task Force (EMUSTF)
Mr. Anders provided an update on activities of the EMUSTF and discussed data confidentiality requirements related to uplift credits and the interaction between the RTEP processes and uplift. Stakeholders indicated that no activity was desired at this point in time related to potential revisions to the data confidentiality requirements.
- L) EIPC Gas Study
Mr. Helm discussed the EIPC Gas/Electric study and requested feedback from stakeholders. He also discussed the recently posted ISO/RTO Council paper regarding CO₂ regulation.
- M) Coordinated Transaction Schedules (CTS) / Export Credit Requirements
Ms. Daugherty presented proposed Tariff revisions associated with CTS and export transactions. The committee will be asked to endorse the proposed revisions at its next meeting.
- N) PJM Manuals
 1. Mr. Bastian discussed a near term transition mechanism to address Manual 21: Rules and Procedures for Determination of Generating Capability revisions regarding generation seasonal verification test requirements. The committee will be asked to endorse these changes at its next meeting.
 2. Mr. Sliwa presented proposed revisions to Manual 7: PJM Protection Standards regarding relay design parameters. The committee will be asked to endorse these changes at its next meeting.



3. Mr. Pilong presented proposed demand response related revisions to Manual 13: Emergency Operations. The committee will be asked to endorse these changes at its next meeting.
4. Mr. Langbein presented proposed revisions to Manual 11: Energy & Ancillary Services Market Operations to clarify tariff provisions regarding Economic Demand Response settlements in energy market for load reductions that occur as part of normal operations. A stakeholder expressed an opinion that these revisions should be implemented through Tariff revisions rather than Manual revisions. Mr. Langbein expressed PJM's position that the proposed revisions were in accordance with PJM's Tariff and FERC Order 745. The committee will be asked to endorse the proposed revisions at its next meeting.
5. Mr. Boyle reviewed proposed changes to Manual 40: Training and Certification Requirements. The Operating Committee will be asked to endorse these changes at its next meeting.

The next MRC meeting is scheduled for Thursday, February 27, 2014 at the Chase Center in Wilmington, DE.

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