



Market Implementation Committee Report
PJM Interconnection
Operating Committee / Markets and Reliability Committee / Members Committee
PJM Conference & Training Center
Norristown, PA
February 2014

The Market Implementation Committee met on February 7 at the PJM Conference and Training Center in Norristown, PA. The following topics were discussed at the meeting:

- A) Generator Seasonal Verification Tests
Mr. Jeff Bastian, PJM, discussed a near term transition mechanism to address Manual 21 revisions regarding generation seasonal verification test requirements. For each planning year, prior to the next incremental auction for that delivery year the deadline shall be April 1, 2014 for the 2014/15 but for 15/16 auction PJM will need indication by June 1, 2014 and for 2016/17 by August 1, 2014. **The committee endorsed proposal with the friendly amendment with 0 objections and 24 abstentions.**

- B) DR Participation in SR Market Problem Statement
Mr. Frank Lacey, Converge, presented a problem statement relating to residential demand response participation in the synchronous reserve market. **The committee endorsed the problem statement with 12 objections and 11 abstentions.** The committee will be asked to vote on the issue charge at the March meeting.

- C) Economic Demand Response Settlements in Energy Market for Normal Operations
Mr. Pete Langbein, PJM, presented proposed manual language changes from the Demand Response Subcommittee to clarify tariff provisions regarding Economic Demand Response settlements in energy market for load reductions that occur as part of normal operations. **The committee endorsed the manual language with 110 in favor, 22 against and 18 objections (83% approval).**

Other Topics

- D) OTU Credit Requirement Issue
At the January 30, 2014 the Markets and Reliability Committee assigned the Qualifying Transmission Upgrade Credit Requirement issue to the MIC. The committee decided to begin the discussion and education at the full MIC with the option of moving the issue to another group at a later time.

- E) Cold Weather Settlement Issue
Mr. Ray Fernandez, PJM, provided an update on cold weather settlement issues. Stakeholders requested more information as to how the line items will be included and a report on total dollars and rates. Concerns were raised by multiple members about how the operating reserve allocation is being done.

- F) Load forecast for Upcoming RPM BRA
Mr. Tom Falin, PJM, provided an update on load forecast for the upcoming RPM Base Residual Auction. PJM received new information from BGE that will cause PJM to revise load forecast for BGE zone. In the next few days, PJM should determine the magnitude of adjustment and will reissue the Load Analysis Subcommittee report. The related RTEP work is beginning and PJM will study year 2019. RPM parameters are expected to be updated in mid-March with the FRR update.



- G) Regional Transmission and Energy Scheduling Practices
Mr. Christopher Pacella, PJM, presented updates to the Regional Transmission and Energy Scheduling Practices for the deployment of the ExSchedule application that will replace the EES application. The committee will be asked for endorsement at the March meeting.
- H) Dynamic Transfers
Mr. Sree Yeddanapudi, PJM, presented information on the Draft PJM Dynamic Transfer Business Rules and request feedback from the MIC.
- I) Annual ARR FTR Process
Mr. Tim Horger, PJM, gave an update on the Annual ARR FTR Process.
- J) PJM ARR Stage 1A Zonal Base Load Calculation and Waiver
Mr. Brian Chmielewski, PJM, presented information related to an ARR Waiver.
- K) MSS UPDATE
Mr. Eric Hsia, PJM, updated the committee on the current discussions in the Market Settlement Subcommittee. The MSS was at an impasse regarding changing the schedule for submission of load data with survey results regarding preferred package solutions split. The recommendation was that the MSS continue to focus work on package F and bring it back to the MIC for a future vote. There were no objections to that recommendation.
- L) MISO Interface Definition Changes
Ms. Rebecca Carroll, PJM, presented changes to the MISO interface definition.
- M) Market Flow Changes
Mr. Asanga Perera, PJM, presented changes to the way PJM calculates Market Flows which will become effective on June 1, 2014.
- N) Interregional Coordination
Mr. Stan Williams, PJM, presented an update on interregional coordination.
- O) Real Time Communication
Ms. Erin Sechrist, PJM, updated members on a survey that will request feedback about real time communications.

The next MIC meeting is scheduled for **March, February 5, 2014** at the PJM Conference and Training Center.