

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
March 26, 2015
9:00 a.m. – 12:15 p.m. EPT

Administration (9:00-9:05)

Mr. Kormos welcomed stakeholders to the meeting and Mr. Anders provided the Anti-trust and Code of Conduct announcements. Mr. Bresler discussed the recently announced Tier 1 Synchronized Reserves billing adjustment, indicating that the expected value of the billing adjustment will be approximately \$72.5 million for the entire period. He also indicated that a new MSRS report is under development which will allow participants to see their own impact. Mr. Anders noted that the annual request had been sent for all Members to re-verify the sector for which they qualify and to submit an updated Affiliate Disclosure form. These are required to be submitted by April 30, 2015.

Endorsements/Approvals (9:05-10:45)

1. Draft Minutes (9:05-9:10)

Minutes of the February 26, 2015 Markets and Reliability Committee (MRC) meeting were **approved** by acclamation with no objections or abstentions.

2. PJM Manuals (9:10-9:30)

- A. Mr. Tong Zhao presented revisions to Manual 11: Energy & Ancillary Services Market Operations regarding Demand Bid Screening.
- B. Ms. Danielle Martini reviewed changes to Manual 12: Balancing Operations regarding regulation testing.

Following discussion, the proposed revisions in items 2.A and 2.B were **endorsed** by acclamation with no objections or abstentions.

3. FTR Revisions (9:30-9:45)

Mr. Tim Horger presented non-substantial FTR revisions related to the FTR Auction clearing deadline, clarification of FTR monthly/daily trading and clarification of wording in the Tariff related to Long Term FTR rules. Following discussion the Committee **endorsed** the proposed revisions by acclamation with no objections and one abstention.

4. Energy Market Uplift Sr. Task Force (9:45-10:15)

Mr. Stu Bresler presented two proposals developed by the Energy Market Uplift Senior Task Force (EMUSTF). The first proposes that the MRC direct the Planning Committee (PC) to develop rules to require that uplift formally be treated as an input to the Regional Transmission Expansion Plan (RTEP). Following discussion the Committee **endorsed** this proposal by acclamation with five objections and one abstention.

The second proposal regards revisions to rules governing treatment of CT Lost Opportunity Cost. Mr. Dave Pratzon proposed a friendly amendment to replace the phrase “for a reliability reason” in section (f-1) of the proposed revisions with the phrase “due to a transmission constraint or other reliability issue” to be consistent with section (f-2). There were no objections to this being considered friendly and therefore it was incorporated into the main motion. Mr. Steve Lieberman requested clarification that the changes to section 5, LOC Credit Methodology, related to self-scheduled units that the higher of the available cost or price curves would apply. Mr. Bresler confirmed that this was correct. Mr. Ed Tatum proposed a friendly amendment to defer action on the start-up, notification and minimum run time portion of the proposal for one month to allow additional discussion at the EMUSTF but proceeded to a vote on the remainder of the proposal. Ms. Ruth Ann Price objected to this being a friendly amendment. Ms. Price moved and Ms. Bruce seconded that the motion be deferred for one month to allow the EMUSTF to further discuss (but not re-vote) the start-up, notification and minimum run time portion of the proposal. Following discussion, the motion to defer for one month was approved by acclamation with two objections and one abstention.

5. Demand Response Forecast for Use in RTEP (10:15-10:30)

Mr. Tom Falin discussed a proposed change to demand response modeling assumptions in Load Deliverability Analyses. Ms. Rebecca Stadelmeyer proposed a friendly amendment to add the following phrase to the end of the second paragraph of the proposed revisions: “The forecast is based on the PJM final summer season Committed DR amount, where the Committed DR means all DR that has committed through RPM, Base Residual Auction and all Incremental Auctions, or a Fixed Resource Requirement plan”, and to delete the following sentence from the first numbered bullet of the proposed revisions: “Committed DR includes all DR that has committed through RPM or a Fixed Resource Requirement plan.” There was no objection to this being considered friendly, and therefore was incorporated into the main motion. Following discussion the Committee endorsed the proposed revisions by acclamation with no objections or abstentions.

6. FERC Order 1000 (10:30-10:45)

Mr. Steve Herling discussed the recent FERC ruling on PJM’s Order 1000 compliance filing and proposed revisions. Following discussion the Committee **endorsed** the proposed revisions by acclamation with no objections and one abstention. Mr. Kormos noted that the Members Committee would be asked to endorse the proposed revisions at its meeting on March 26, 2015.

First readings (10:45-11:45)

7. Residential DR Measurement & Verification (10:45-11:00)

Mr. Pete Langbein discussed PJM’s intention to file in late April 2015 the Residential Demand Response Measurement and Verification Tariff revisions which were endorsed at the January 22, 2015 Members Committee meeting. Since these revisions may not become effective before the next Base Residual Auction, the endorsed Tariff revisions have been updated to include an additional Delivery

Year to the transition plan. The committee will be asked to endorse the proposed update to the revisions at its next meeting.

8. Tariff Harmonization Sr. Task Force (11:00-11:15)

Ms. Janell Fabiano presented the draft charter for the Tariff Harmonization Sr. Task Force. She noted that a friendly amendment had been proposed to add the phrase “and ambiguities in the governing documents and manual 35” in the second work activity. The committee will be asked to approve the proposed charter at its next meeting.

9. Generator Offer Flexibility (11:15-11:30)

Mr. Dave Pratzon, representing Calpine, presented a proposed problem statement and issue charge regarding the need for more flexible market offers for physical generating resources. The committee will be asked to approve the proposed problem statement and issue charge at its next meeting.

10. PJM Manuals (11:30-12:15)

- A. Mr. Dave Souder presented proposed revisions to Manual 14D: Generator Operational Requirements regarding a recent NERC Advisory on Generator Governor Frequency Response. The Committee will be asked to endorse these proposed revisions at its next meeting.
- B. Mr. Jeff Bastian presented proposed revisions to Manual 18: PJM Capacity Market regarding implementation of Capacity Performance. The Committee will be asked to endorse these proposed revisions at its next meeting should the FERC accept the recent Capacity Performance related filings before then.

Future Agenda Items (12:15)

Future Meeting Dates

April 23, 2015	9:30 a.m.	Wilmington, DE
May 28, 2015	9:30 a.m.	Wilmington, DE
June 25, 2015	9:30 a.m.	Wilmington, DE
July 23, 2015	9:30 a.m.	Wilmington, DE
August 27, 2015	9:30 a.m.	Wilmington, DE
September 24, 2015	9:30 a.m.	Wilmington, DE
October 22, 2015	9:30 a.m.	Wilmington, DE
November 19, 2015	9:30 a.m.	Wilmington, DE
December 17, 2015	9:30 a.m.	Wilmington, DE

Author: Name

Anti-trust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.

Public Meetings/Media Participation:

Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. Stakeholders are also not allowed to create audio, video or online recordings of PJM meetings.

<p>Please log-in to the voting application at voting.pjm.com, so that you can be registered as the active voter prior to the start of the meeting.</p> <p>Questions</p> <ul style="list-style-type: none">• 3 tones = placed in queue.• Questions will be taken in the order received in the room and on the phone as natural breaks occur.	<p>On the Phone Dial</p> <table><tr><td>Yes *7</td><td>No *8</td><td>Abstain *9</td></tr><tr><td>*1</td><td>*2</td><td>*0</td></tr><tr><td>for operator's attention anytime but during a vote</td><td>to be removed from the question queue</td><td>for operator's attention during a vote</td></tr></table>	Yes *7	No *8	Abstain *9	*1	*2	*0	for operator's attention anytime but during a vote	to be removed from the question queue	for operator's attention during a vote
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