

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
June 22, 2017
9:00 a.m. – 12:30 p.m. EPT

Administration

Ms. Suzanne Daugherty and Mr. Dave Anders welcomed the participants, and provided the antitrust and code of conduct announcements.

Endorsements/Approvals

1. Draft Minutes

Minutes of the May 25, 2017 meeting of the Markets and Reliability Committee (MRC) were **approved** by acclamation with no objections and one abstention.

2. PJM Manuals

- A. Mr. Aaron Berner presented updates to Manual 14A: Generation and Transmission Interconnection Process and the Tariff related to less than \$5M cost allocation and the alternate queue.
- B. Ms. Michael Herman presented updates to Manual 14C: Generation and Transmission Interconnection Facility Construction as a result of aligning manual language with the work being completed through the Designated Entity Design Standards Taskforce.
- C. Mr. Michael Herman presented the draft PJM Manual 14F: Competitive Planning Process, including the decisional diagram.
- D. Mr. Patricio Rocha-Garrido presented updates to Manual 20: PJM Resource Adequacy Analysis regarding Zonal and Global Locational Deliverability Areas for CETO calculations.
- E. Mr. Ray Fernandez reviewed Manual 28: Operating Agreement Accounting changes associated with FTR Balancing Congestion.
- F. Mr. Vince Stefanowicz reviewed proposed changes to Manual 39: Nuclear Plant Interface Coordination.

Regarding item 2.B, Mr. Herman noted that all future 'Problem Statement and Requirements' documents issued as part of the competitive proposal process will include a requirement that the proposals must comply with all PJM Tariff, Operating Agreement (OA), manual and Designated Entity Design Standards Task Force minimum standard requirements.

Regarding item 2.C, Mr. Herman noted PJM's commitment to update Manual 14F, as needed, to incorporate in the manual any resolution reached at the special Planning Committee sessions regarding bids that contain cost commitment.

Following discussion, items 2.A through 2.F were **endorsed** by acclamation with the following objections and abstentions:

- Item 2.A – no objections and three abstentions
- Item 2.B – no objections and three abstentions
- Item 2.C – no objections and two abstentions
- Item 2.D – no objections and one abstention
- Item 2.E – no objections or abstentions
- Item 2.F – no objections or abstentions

3. Pseudo-tie Pro Forma

Ms. Jacqui Hугee reviewed the following pseudo-tie agreements and Tariff and OA revisions:

- Pro forma pseudo-tie agreement
- Pseudo-tie reimbursement agreement for pseudo-tie into PJM
- Associated Tariff and OA revisions

Following discussion, the vote on the proposed agreements and Tariff and OA revisions was deferred to the committee's next meeting. Ms. Daugherty noted that the members will be asked to vote on the proposed documents at the MRC and Members Committee in the same day to enable fulfillment of commitment to the FERC to file before the end of July, 2017.

Ms. Hугee also presented a first reading of a draft Dynamic Schedule Agreement. The committee will be asked to endorse the proposed Agreement at a future meeting.

4. Regulation Market Issues Sr. Task Force (RMISTF)

Mr. Eric Hsia presented the proposed regulation market enhancements endorsed by the RMISTF. Mr. Michael Borgatti moved and Mr. John Horstmann seconded that the RMISTF be directed to update the proposal to include the details of the regulation signal and Marginal Rate of Technical Substitution in the proposed Tariff and manual revisions, and that the a vote on the amended RMISTF proposal be deferred until the update has been accomplished. The motion to defer and provide direction to the RMISTF **failed** in a sector-weighted vote with 1.61 in favor. Following discussion, the proposed enhancements developed by the RMISTF were **endorsed** in a sector-weighted vote with 3.89 in favor.

First Readings

5. Governing Document Revisions to the Limitation on Claim

Mr. Steven Shparber presented Tariff and Operating Agreement (OA) revisions related to the Limitation on Claims. The committee will be asked to endorse the Tariff revisions at a future meeting.

6. PJM M14B and PJM Operating Agreement Updates – TEAC Redesign

Ms. Melissa Maxwell presented updates to PJM Manual 14B: PJM Regional Transmission Process and the OA regarding the proposal window timeline. The committee will be asked to endorse these updates at its next meeting.

7. Seasonal Capacity Resources Sr. Task Force (SCRSTF)

Mr. Scott Baker discussed the proposed disposition of footnotes in a recent PJM FERC filing related to initiation of stakeholder discussion on subjects such as whether PJM's load forecasting methodologies should be enhanced to recognize seasonal resources differently, and whether a mechanism should be designed outside the capacity and energy markets to value and compensate the operational flexibility of seasonal resources. The committee will be asked to endorse the proposed disposition as well as sunsetting the SCRSTF at its next meeting.

8. PJM Manuals

- A. Mr. Ryan Nice reviewed proposed revisions to Manual 01: Control Center and Data Exchange Requirements. The committee will be asked to endorse the proposed revisions at its next meeting.
- B. Ms. Rebecca Stadelmeyer presented revisions to Manual 11: Energy & Ancillary Services and Manual 18: PJM Capacity Market, for revisions associated with Capacity Performance Shortfall and Bonus MW calculations. The committee will be asked to endorse the proposed revisions at its next meeting.

Informational Updates

9. Transmission Replacement Process Sr. Task Force (TRPSTF)

Mr. Fran Barrett provided a status update regarding TRPSTF activities and the related FERC Show Cause Order. Ms. Gloria Godson moved and Ms. Tonya Wicks seconded:

At the February 23, 2017, MRC meeting stakeholders voted to extend the suspension of the TRPSTF Consensus Based Issue Resolution process activities until the earlier of June 2017 or FERC issuance of an Order. While the Commission still does not have a quorum, two new FERC Commissioners have been vetted and it is expected that they will be able to start work next month. The issues in the TRPSTF mission and scope of work are issues that are currently being actively litigated before FERC. These issues are fully briefed and will not be resolved in a stakeholder forum. Absent a FERC order, this pending litigation makes any expenditure of time discussing these issues unproductive.

I therefore move a motion to extend the current hiatus on CBIR activities at the TRPSTF and to resume upon the earlier of the issuance of a related FERC order or December 2017.

Mr. Alex Stern proposed a friendly amendment as follows:

I therefore move a motion to extend the current hiatus on CBIR activities at the TRPSTF and to resume upon the issuance of a related FERC order or, in absence of a FERC Order, review the status of the hiatus with the MRC no later than December 2017.

Ms. Godson and Ms. Wicks accepted this as friendly and therefore it was incorporated into the motion. Following discussion, the motion **failed** in a sector-weighted vote with 1.79 in favor.

Future Agenda Items

No new future agenda items were identified.

Future Meeting Dates

July 27, 2017	9:00 a.m.	Wilmington, DE
August 24, 2017	9:30 a.m.	Wilmington, DE
September 28, 2017	9:00 a.m.	Valley Forge, PA
October 26, 2017	9:00 a.m.	Wilmington, DE
December 7, 2017	9:00 a.m.	Philadelphia, PA
December 21, 2017	9:30 a.m.	Wilmington, DE

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