

## Board of Managers Meeting Minutes

February 26, 2025

A meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at the Willard InterContinental Hotel in Washington, D.C. at approximately 9 a.m. on February 26, 2025.

The following Board members were present constituting a quorum:

- Manu Asthana, President and Chief Executive Officer (ex officio)
- Mark Takahashi, Chair
- Terry Blackwell
- Paula Conboy
- Jeanine Johnson
- Margo Loeb
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Present for the meeting, or a portion of the meeting, were the following PJM personnel:

- Tim Burdis, Director – State Policy Solutions
- Stu Bresler, Executive Vice President – Market Services and Strategy
- Mike Bryson, Sr. Vice President – Operations
- Jason Connell, Vice President – Planning
- Carl Coscia, Vice President, Chief Risk Officer
- Lisa Drauschak, Sr. Vice President, Chief Financial Officer and Treasurer
- Craig Glazer, Vice President, Federal Government Policy
- Asim Haque, Sr. Vice President – Governmental & Member Services
- Colleen Hicks, Managing Counsel
- Tim Horger, Sr. Director – Forward Market Operations and Performance Compliance
- Adam Keech, Vice President – Market Design & Economics
- Aftab Khan, Executive Vice President, Operations, Planning & Security
- Steve McElwee, Vice President, Chief Security Officer
- Paul McGlynn, Vice President – Planning

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- Tom O'Brien, Sr. Vice President, Chief Information Officer
  - Chris O'Hara, Sr. Vice President, General Counsel
  - Ricardo Rodriguez, Executive Director – Internal Audit
  - Lisa Salmon, Executive Assistant to the President & PJM Board
  - Nora Swimm, Sr. Vice President – Corporate Client Services

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The meeting recessed at 11:30 a.m.

## Board of Managers Meeting Minutes

February 26, 2025

A meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was reconvened at the Willard InterContinental Hotel in Washington, D.C. at 12:15 p.m. on February 26, 2025.

The following Board members were present constituting a quorum:

- Manu Asthana, President and Chief Executive Officer (ex officio)
- Mark Takahashi, Chair
- Terry Blackwell
- Paula Conboy
- Jeanine Johnson
- Margo Loeb
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Present for the meeting, or a portion of the meeting, were the following PJM personnel:

- Will Benner – Corp. Rotation Program (Via Teams)
- Stu Bresler, Executive Vice President – Market Services and Strategy
- Mike Bryson, Sr. Vice President – Operations
- Carl Coscia, Vice President, Chief Risk Officer
- Jason Connell, Vice President – Planning
- Michael Coyle, Chief Diversity, Equity & Inclusion Officer (via Teams)
- Renee Doganieri, Sr. Accounts Payable Analyst – Finance (Via Teams)
- Lisa Drauschak, Sr. Vice President, Chief Financial Officer and Treasurer
- Craig Glazer, Vice President, Federal Government Policy
- Asim Haque, Sr. Vice President – Governmental & Member Services
- Colleen Hicks, Managing Counsel
- Adam Keech – Vice President, Market Design & Economics
- Aftab Khan, Executive Vice President, Operations, Planning & Security
- Steve McElwee, Vice President, Chief Security Officer
- Paul McGlynn, Vice President – Planning

- Tom O'Brien, Sr. Vice President, Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel
- Ricardo Rodriguez, Executive Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Nora Swimm, Sr. Vice President – Corporate Client Services

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Benner, Coyle and Doganieri exited the meeting at 12:35 p.m.

## Administration

**Upon a motion duly made and seconded, the Board unanimously approved the minutes (including public versions) of its November 19, 2024, December 4, 2024, December 16, 2024, January 14, 2025, January 21, 2025, January 28, 2025, February 6, 2025, and February 12, 2025, meetings.**

## Competitive Markets Committee (CMC) Report

- David Mills reported on the CMC meeting held on February 24, 2025, and the materials covered therein.
- The CMC reviewed and endorsed changes to the Reliability Assurance Agreement (RAA), including:
  - Changes to RAA Section 9.2 to include two additional Effective Load Carrying Capability (ELCC) classes for capacity auctions beginning with the 2027/2028 Delivery Year. The two additional ELCC classes are (1) waste-to-energy resources that consist of certain generators that utilize steam technology with a primary fuel source of muni waste or wood waste and (2) oil-fired combustion turbines that are fueled by oil; and
  - Changes to revise RAA, Article 1 to update the definitions of “Annual Demand Resource,” “Summer-Period Demand Resource” and “Winter Peak Load” to both expand the required hours of availability and improve the modeling of Demand Resources in PJM’s resource adequacy analyses and accreditation. The proposed revisions would be effective for capacity auctions beginning with 2027/2028 Delivery Year.

**Upon a motion duly made and seconded, the Board unanimously endorsed the approval of revisions to the RAA regarding new ELCC Classes (Attachment A).**

**Upon a motion duly made and seconded, the Board unanimously endorsed the approval of revisions to the RAA to update certain definitions impacting Demand Resource availability and modeling (Attachment B).**

- Mills reported that the CMC received reports on:
  - The 2026/2027 Base Residual Auction scheduled to commence in July 2025, including timelines, simulation results and projected capacity results;
  - Recent PJM FERC orders and filings;
  - The November 2024 FERC Technical Conference on Resource Adequacy;
  - The Effective Load Carrying Capability Task Force and efforts to increase transparency; and

- Changes to Quadrennial Review parameters and timelines and the potential for a higher Cost of New Entry value.
- Mills further reported on the CMC's joint discussion with Monitoring Analytics, LLC (Monitoring Analytics). The CMC heard from:
  - Dr. Catherine Tyler who provided a preview of the 2024 State of Market report for PJM; and
  - Dr. Bowring who presented Monitoring Analytics' perspectives on enhancing PJM markets, including improving large load interconnections in PJM, changing PJM's capacity market to include modifications to the ELCC availability window, requiring Demand Response to offer and improving the process for co-located and large load additions.
- The CMC met in executive session with Monitoring Analytics. The CMC requested that Monitoring Analytics have Dr. Tyler provide strategic presentations.

## Reliability & Security Committee (RSC) Report

- Terry Blackwell reported on the RSC meeting held on February 24, 2025, and the materials covered therein.
- Blackwell reported that the RSC received reports on the Regional Transmission Expansion Plan (RTEP).
  - The RSC reviewed and endorsed updates to the RTEP and recommended approval of the baseline reliability projects by the Board of Managers at an overall baseline net increase of \$7,732.59 million comprised of:
    - New reliability baseline upgrades: **\$5,919.77** million increase;
      - Baseline reliability projects: \$5,514.78 million
      - Short circuit projects: \$107.87 million
      - TO planning criteria: \$297.12 million
    - Baseline project scope changes: **\$782.94** million increase;
    - Baseline project cancellations: **\$48.7** million **decrease**; and
    - New upgrade changes: **\$1,078.58** million increase;
      - New Network Upgrades: \$1,662.87 million increase
      - Scope/cost changes: \$261.69 million increase
      - Cancellations: \$845.98 million **decrease**

**Upon a motion duly made and seconded, the Board unanimously endorsed the approval of RTEP (Attachment C).**

- Blackwell further reported that the RSC received on:
  - The status of the generator interconnection queue;
  - The Transource IEC – Project 9A Efficiency Project;
  - The 2025 PJM load forecast;

- The Installed Reserve Margin and Forecasted Pool Requirements for the 2026/2027 Delivery Year; and
- FERC Order No. 1920-A and Long-Term Regional Transmission Process.
- Blackwell further reported that the RSC received security reports on:
  - The October 2024 PJM Annual Grid Drill;
  - Plans for the 2025 Board cybersecurity incident response drill;
  - Reviewed cybersecurity Key Performance Indicator's and additional forward-looking indicators;
  - 2024 penetration test and management action plans;
  - NERC operations and planning audit scheduled for September 2025; and
  - The Security Key Performance Indicator Dashboard.
- Blackwell reported that the RSC received operations reports on:
  - PJM 2024/2025 winter operations; and
  - Reliability Must-Run units, including Brandon Shores and Wagner.
- Blackwell reported that the RSC received an Information Technology Security (ITS) report on:
  - Accomplishments with test automation efforts to improve quality assurance and compliance; and
  - Accomplishments with ITS engineering and innovative efforts.

## **Regulatory Committee (RC) Report**

Paula Conboy reported on the RC meeting held on February 25, 2025, and the materials covered therein.

- Conboy reported that the RC received reports on:
  - Federal regulatory matters, including:
    - Strategic objectives for 2025 and a review of PJM's recent successes with FERC;
    - A post-election update including a discussion on FERC independence, the ability of the President to remove a FERC commissioner, recent executive orders, and their impact upon FERC;
    - Primary risks including an unpredictable regulatory climate, FERC Chair Christie's transition and waning support for competitive markets; and
    - Affirmed Energy, LLC and its challenge to FERC Enforcement's authority in the District Court of the Middle District of North Carolina.
  - State regulatory matters, including:
    - Strategic risks of 2025 including planned outreach strategies;
    - Relevant state legislative activity; and

- The complaint filed by Pennsylvania Governor Josh Shapiro at FERC with respect to the design of PJM's capacity market.

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## **Closed Session**

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The Board adjourned at approximately 3:10 p.m.

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## Resolution for the Meeting of the PJM Board of Managers

February 26, 2025

### Approval of Revisions to PJM's Reliability Assurance Agreement Regarding New ELCC Classes

WHEREAS, Reliability Assurance Agreement Among Load Serving Entities in the PJM Region ("RAA"), Article 6, provides that the Board has the authority to approve and authorize the filing of amendments to the RAA;

WHEREAS, RAA, section 16.4, provides that the RAA may be amended only by action of the Board, and that PJM shall file with the Federal Energy Regulatory Commission ("FERC") any amendment to the RAA approved by the Board;

WHEREAS, PJM is seeking Board approval to revise RAA, Schedule 9.2 to include two additional Effective Load Carrying Capability ("ELCC") classes for capacity auctions beginning with the 2027/2028 Delivery Year;

WHEREAS, the two additional ELCC classes are (1) waste-to-energy resources that consist of certain generators that utilize steam technology with a primary fuel source of muni waste or wood waste, and (2) oil-fired combustion turbines that are fueled by oil;

WHEREAS, the PJM Markets and Reliability Committee and the PJM Members Committee are expected to endorse the proposed revisions on March 19, 2025;

WHEREAS, the Board Competitive Markets Committee has endorsed the approval of the proposed RAA revisions and recommends them to the full Board for approval; and

WHEREAS, the Board has reviewed the proposed RAA revisions described above and agrees they should be made.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the proposed revisions to the RAA as requested contingent upon the PJM Members Committee endorsement of these amendments.



## Resolution for the Meeting of the PJM Board of Managers

February 26, 2025

### Approval of Revisions to PJM's Reliability Assurance Agreement Regarding Demand Resource Availability

WHEREAS, Reliability Assurance Agreement Among Load Serving Entities in the PJM Region ("RAA"), Article 6, provides that the Board has the authority to approve and authorize the filing of amendments to the RAA;

WHEREAS, RAA, section 16.4, provides that the RAA may be amended only by action of the Board, and that PJM shall file with the Federal Energy Regulatory Commission ("FERC") any amendment to the RAA approved by the Board;

WHEREAS, PJM is seeking Board approval to revise RAA, Article 1 to update the definitions of "Annual Demand Resource," "Summer-Period Demand Resource," and "Winter Peak Load" to both expand the required hours of availability and improve the modeling of DR reduction capability and reliability value in PJM's resource adequacy analyses and accreditation;

WHEREAS, the proposed revisions would be effective for capacity auctions beginning with 2027/2028 Delivery Year;

WHEREAS, the PJM Markets and Reliability Committee has endorsed the proposed revisions with a sector-weighted vote of 3.7 out of 5 on February 20, 2025, and the PJM Members Committee also endorsed the proposed revisions with a sector-weighted vote of 3.8 out of 5 on February 20, 2025;

WHEREAS, the Board Competitive Markets Committee has endorsed the approval of the proposed RAA revisions and recommends them to the full Board for approval; and

WHEREAS, the Board has reviewed the proposed RAA revisions described above and agrees they should be made.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the aforementioned proposed revisions of the RAA and authorizes PJM to file the proposed amendments with FERC.

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## Resolution for the Meeting of the Board of Managers

February 26, 2025

### 2024 Regional Transmission Expansion Plan

WHEREAS, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., Schedule 6, section 1.6 (a) provides that the PJM Board of Managers shall approve additions and changes to the Regional Transmission Expansion Plan (RTEP), in accordance with the requirements of Operating Agreement, Schedule 6 and cost allocations for transmission enhancements and expansions consistent with PJM Open Access Transmission Tariff, Schedule 12 (Tariff, Schedule 12);

WHEREAS, the Transmission Expansion Advisory Committee (TEAC) has reviewed and been provided the opportunity to comment on the elements of the changes to the 2024 RTEP; and

WHEREAS, the Board of Managers has reviewed the RTEP material developed by PJM in consultation with the TEAC, including the proposed transmission expansions and enhancements and cost allocations related to the proposed additions and changes to the 2024 RTEP, and the recommendations of the Board of Managers Reliability and Security Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Managers hereby approves the additions and changes to the 2024 RTEP resulting in an overall net increase of approximately \$7,732.59 million, and associated cost allocations in accordance with Tariff, Schedule 12, as such may be modified by the Federal Energy Regulatory Commission (FERC), resulting from:

- (a) New baseline projects totaling approximately \$5,919.77 million comprised of: PJM reliability criteria expansions and enhancements totaling approximately \$5,622.65 million and transmission owner FERC Form 715 planning criteria enhancements totaling approximately \$297.12 million;
- (b) Scope and cost changes to three (3) existing approved RTEP baseline projects totaling approximately a \$782.94 million net increase;
- (c) Cancellation of three (3) existing approved RTEP baseline projects totaling approximately a \$48.7 million net decrease;
- (d) New required Network Upgrades for New Service Requests totaling approximately \$1,662.87 million;
- (e) Scope and cost changes to 62 existing Network Upgrades totaling approximately a \$261.69 million net increase; and
- (f) The cancellation of 122 Network Upgrades totaling approximately an \$845.98 million net decrease.

The Board of Managers further directs PJM to file with the FERC under Federal Power Act section 205, within 30 days of the date of this approval, the cost allocations for each approved RTEP baseline project as required pursuant to the PJM Tariff, Schedule 12, section (b)(viii).