



Organization of PJM States, Inc. (OPSI)

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October 16 2018
(via E-mail only)

PJM Board of Managers
PJM Interconnection LLC
955 Jefferson Avenue
Norristown, PA 19403

Re: Proposed Agenda for October 30, 2018 Board to Board Meeting

Dear PJM Board of Managers:

The Organization of PJM States has identified several topics for discussion at the breakfast meeting between the Boards on October 30, 2018.

1. Energy Price Formation: Pursuant to your direction, PJM stakeholders are now considering revisions to how reserve pricing is calculated in PJM. The OPSI Board would like to discuss how these changes will benefit consumers, the timing of the proposed changes, how the energy cost impact will affect capacity auctions that have already occurred, and safeguards to ensure that the proposed benefits from such revisions are not greatly outweighed by the costs of said revisions. OPSI notes that load weighted average real time LMPs are reported to have increased over 42% for the first six months of 2018 and that capacity costs in the 2018 Base Residual Auction doubled.

2. Resilience: PJM is pursuing an aggressive slate of programs under the banner of resilience although the Federal Energy Regulatory Commission (“FERC”) has yet to address this topic. How far does PJM intend to pursue these objectives without guidance from FERC?
3. Mass Market Demand Reduction Programs: The Board to Board meeting will occur after the vote on PJM’s proposed load forecast adjustment from the Summer Only Demand Response Senior Task Force at the MRC. OPSI would like to discuss with the Board the future of this proposal, which will depend partly on the results of the vote at the Markets and Reliability Committee.

We look forward to your feedback.

Sincerely Yours,

Gregory V. Carmean

Gregory V. Carmean
Executive Director
OPSI