Meeting Minutes
PJM Interconnection
PJM Planning Committee
Chase Center
Wilmington, DE
September 8th, 2011
9:30 AM

Members Present:

Steve McDonald Aces Power
Chris Norton American Municipal Power, Inc.
David Canter Appalachian Power Company
Takis Laios Appalachian Power Company
Mohamed El-Gasseir Atlantic Wind Connection
Brian Hallett ATSI
Dan Covington Baltimore Gas and Electric Company
James Jablonski Borough of Park Ridge, New Jersey
Wil Burns Burns Law Firm
John Citrolo Calpine Energy Services, L.P.
Barry Trayer Citigroup
Daryl Danis Clean Line Energy
Ronald Regner Commonwealth Edison Company
Rehan Gilani ConEdison Energy, Inc.
Jason Barker Constellation Energy Commodities Group, Inc.
Damase Hebert Covanta Energy Group, Inc.
Guy Filomena Customized Energy Solutions, Ltd.*
Bill Schofield Customized Energy Solutions, Ltd.*
David Steigerwald Customized Energy Solutions, Ltd.*
John Horstmann Dayton Power & Light Company (The)
Hertzel Shamash Dayton Power & Light Company (The)
Andrea Maucher Division of the Public Advocate of the State of Delaware
George Owens Downes Associates, Inc.
Gregg Pakela DTE Energy Trading, Inc.
Jason Harchick Duquesne Light Company
Jennifer Ayers-Brasher E.ON Climate & Renewables North America Inc.
Jeff Ellis Edison Mission Marketing and Trading, Inc.
Joe Wadsworth Edison Mission Marketing and Trading, Inc.
Nathan Rushing EMC Development Company, LLC.
Malcolm Ainspan Energy Curtailment Specialists, Inc.
Bruce Campbell EnergyConnect, Inc.
Tom Leeming Exelon Corporation
Ray Connolly Exelon Energy Company
Pablo Ovando FERC
Gary Fuerst
FirstEnergy Corporation

Jeffrey Mackauer
FirstEnergy Solutions Corp.

Don Miller
FirstEnergy Solutions Corp.

Neal Fitch
GenOn Energy Management, LLC

Hal Siegrist
GenOn Energy Management, LLC

Mark Hanson
Illinois Commerce Commission

Thomas Fecho
Indiana Michigan Power Company

Jason Minaiga
Invenergy LLC

Carl Johnson
Long Island Lighting Company dba LIPA

Bob Howatt
Maryland Energy Administration

Michael Krauthamer
Maryland PSC

David Mabry
McNees Wallace

Al Freeman
Michigan Public Service Commission

Steve Huntoon
NextEra Energy Power Marketing, LLC

Robert Beadle
North Carolina Electric Membership Corporation

John Donelson
Old Dominion Electric Cooperative

Steven Lieberman
Old Dominion Electric Cooperative

Ron Chu
PECO Energy Company

Kathy McHugh
PECO Energy Company

Juliana Brint
Platts

Patricia Kurowski
Potomac Electric Power Company

Bill Mitchell
Potomac Electric Power Company

Scott Gass
PowerGEM

Ephram Glass
PPL Electric Utilities Corporation d/b/a PPL Utilities

Michele Greening
PPL Energy Plus, LLC

Thomas Piascik
Primary Power LLC

Laurent Pommier
PSEG Energy Resources and Trade LLC

Esam Khadr
Public Service Electric & Gas Company

Rollie Mangonon
Rockland Electric Company

Gerry Binder
SESCO Enterprises LLC.

John Brodbeck
Shell Energy North America (US), LP

Phillip Lillquist
Shell Energy North America (US), LP

Ronnie Bailey
Virginia Electric & Power Company

Louis Slade
Virginia Electric & Power Company

James Wilson
Wilson Energy Economics

**PJM Staff Present:**

Steve Herling, Chairman
PJM Interconnection

David Anders
PJM Interconnection

Tom Falin
PJM Interconnection

Pauline Foley
PJM Interconnection

Bill Harm
PJM Interconnection

M. Gary Helm
PJM Interconnection

Paul McGlynn
PJM Interconnection

John Reynolds
PJM Interconnection

Paul Sotkiewicz
PJM Interconnection

Forrest Strachan
PJM Interconnection
1. **ADMINISTRATION**

Mr. Herling called the meeting to order and asked if the Planning Committee had any additional items for the agenda. There were no suggestions for additional agenda items. Mr. Herling then asked Mr. Sims to call the roll. Mr. Herling then asked Mr. Sims to review the meeting minutes of the August 4th, 2011 Planning Committee meeting. Mr. Chu made a motion to approve the minutes as amended. Mr. Glass seconded the motion. In a voice vote, the Planning Committee approved the August 4th, 2011 Planning Committee minutes.

2. **NERC/RRO UPDATE**

Mr. Harm provided the Planning Committee with an update on recent NERC activities, PJM compliance activities, and PJM compliance bulletins.

3. **OVERVIEW OF FERC ORDER 1000**

Ms. Foley provided the Planning Committee with an overview of FERC Order 1000, including the compliance schedule, planning requirements, public policy requirements, right of first refusal, and cost allocation requirements.

4. **UPDATE LANGUAGE TO INSURANCE PROVISIONS IN PRO FORMA INTERCONNECTION SERVICE AGREEMENTS**

Ms. Foley presented the Planning Committee with a proposal to update the pro forma insurance language contained in the interconnection service agreements to be consistent with the terminology currently used in the insurance industry. The impacted interconnection service agreements include the ISA, ICSA, and UCSA. Ms. Foley did not request Planning Committee endorsement of the updated language.

5. **PJM REVIEW OF BRATTLE STUDY**

Dr. Sotkiewicz commented on PJM’s review of the Brattle Study. Dr. Sotkiewicz comments included a discussion of the E&AS offset method, CONE, and VRR curve. Dr. Sotkiewicz also commented on steps for further stakeholder review and provided the Planning Committee with the schedule for future discussion.

6. **PJM MANUAL 14B**

   A. Mr. Sims presented draft Manual 14B language to incorporate and retire Manual 05. Mr. Glass made a motion to endorse Manual 14B and retire Manual 05. Mr. Chu seconded the motion. In a voice vote, the Planning Committee endorsed the updated Manual 14B language and retirement of the existing Manual 05.

   B. Mr. Sims briefly discussed draft PJM Manual 14B language to add additional detail to the NERC Category C3 “N-1-1” section.

   C. Mr. Sims discussed draft PJM Manual 14B language to create a NERC Category C3 “N-1-1” stability section.
7. **2011 IRM STUDY**

Mr. Falin reviewed the preliminary results of the 2011 IRM study, including the 2011 base case IRM for the 2015/2016 delivery year. Mr. Falin also reviewed the results of the 2011 Reserve Requirement Study, including a recommended FPR and DR factors. Finally, Mr. Falin reviewed a timetable of upcoming review and anticipated approval of IRM, FPR and DR Factor for 2012/13, 2013/14, 2014/15 and 2015/16.

8. **LOAD FORECAST RECOMMENDATIONS**

Mr. Reynolds provided the Planning Committee with PJM’s plan for 2012 forecast model enhancements. Mr. Reynolds announced the use of the Itron-recommended Index2 variable and also the continued use of the Moody's Analytics economic forecasts to develop the economic driver for the 2012 load forecast. Finally, Mr. Reynolds discussed the potential use of the Itron proposal for allocation of CP forecast in planning studies. Mr. Jablonski objected to PJM’s plan to not use the economic forecast from Global Insight in addition to Moody’s in the development of the indexed economic driver.

9. **COAL CAPACITY AT RISK FOR RETIREMENT IN PJM**

Dr. Sotkiewicz discussed the recent PJM whitepaper “Coal Capacity at Risk for Retirement in PJM: Potential Impacts of the Finalized EPA Cross State Air Pollution Rule and Proposed National Emissions Standards for Hazardous Air Pollutants.” Dr. Sotkiewicz discussed in detail a variety of possible effects of the proposed Transport and Hazardous Air Pollutant rules.

10. **PJM TARIFF REVISION**

Ms. Tribulski discussed a draft Tariff proposal to amend provisions in the ICSA concerning customer drawings to clarify review responsibilities.

11. **PJM 2012 PROJECT BUDGET**

Mr. Snow discussed details of the PJM 2012 project budget, including the 2012 capital budget and timeline.

12. **FUTURE AGENDA ITEMS**

There were no suggestions for new future agenda items.

13. **FUTURE MEETING DATES**

Thursday, November 3, 2011  9:30 AM  Chase Center, Wilmington, DE
Thursday, December 15, 2011  9:30 AM  Chase Center, Wilmington, DE