



**PJM Transmission Owners Agreement
Administrative Committee (TOA-AC) Eighty Fifth Meeting**

**Thursday, January 21, 2010
9:45 AM – 3:00 PM Eastern Time
Pier V Hotel
711 Eastern Avenue
Baltimore, MD**

**Conference Call Info: Raj Rana, Leader
Dial In Number: 1-866-469-3239
Pass Code: 18052471
WebEx Pass Code: toaac0121pjm
<http://pjm.webex.com>**

MEETING MINUTES

Name	Representing	Attending	On Phone
Rana, Raj	AEP	x	
Rowtham-Kennedy, Monique	AEP	x	
Manzar Rahman	AEP		
Kaminski, Vincent	Allegheny Electric Cooperative, Inc.		x
Mattiuz, Bob	Allegheny Power/TrAILCo	x	
Palmer, Randall	Allegheny Power/TrAILCo	x	
Miller, Abbie	Allegheny Power/TrAILCo		
Bourquin, Ralph	Baltimore Gas and Electric Company	x	
Bloom, David	Baltimore Gas and Electric Company		
Guy, Gary	Baltimore Gas and Electric Company	x	
Harman, Stacy	Baltimore Gas and Electric Company	x	
Shamash, Hertzell	Dayton Power & Light Company (The)	x	
Herd, Michael	Dayton Power & Light Company (The)		
Sullivan, Megan	Duquesne Light Company	x	
Bustard, John	Exelon	x	
Stern, David	Exelon		
Richardson, Frank	Exelon		
Dworetzky, Jean	Exelon	x	
Alvarex, Mary Ann	Exelon		
Naumann, Steve	Exelon		
Bainbridge, Thomas	FirstEnergy Solutions Corp.	x	
Farley, Brian	FirstEnergy Solutions Corp.	x	
Miller, Donald	FirstEnergy Solutions Corp.		
Parke, Morgan	FirstEnergy Solutions Corp.		
Benchek(sp?), James	FirstEnergy Solutions Corp.		
Tatum, Ed	Old Dominion Electric Cooperative	x	

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Scarpignato, David	Old Dominion Electric Cooperative	x	
Messick, Tsion	PHI	x	
Blauman, Amy	PHI	x	
Glatz, Suzanne	PPL Electric Utilities Corporation d/b/a PPL Utilities	x	
Napoli, Paul	Public Service Electric & Gas Company	x	
Jodi Moskowitz	Public Service Electric & Gas Company	x	
Marinelli, Richard	Public Service Electric & Gas Company	x	
McGoldrick, Peter	Rockland Electric Company	x	
Ramlatchan, Deepak	Rockland Electric Company		x
Gill, Richard	UGI Utilities, Inc.		
McGuire, Bob	Virginia Electric & Power Company		
Connelly, David	Virginia Electric & Power Company	x	
Payne, Harold	Virginia Electric & Power Company	x	
Jackson, Dan	Virginia Electric & Power Company		
Herling, Steven	PJM	x	
Pincus, Steve	PJM	x	
Sweizer, David	PJM	x	
Hendrzak, Chantal	PJM	x	

1. Administrative Items

- A. Confirm quorum - confirmed
- B. Approve Minutes of the December 8, 2009 Meeting – will be amended and recirculated based on comments received.
- C. Approve Minutes of the December 15, 2009 conference call
- D. TOA-AC Vice Chair – AEP nominates Dayton Power and Light: Fred Boyle (DPL) would be officer and Hertzal Shamash for TOAC chair and Randall Griffith for LIT. Ed Tatum seconded nomination. Unanimous approval

2. WG Group update

Smart Grid WG – Synchrophasor project update – (Hendrzak): Slide presentation. Ms Hendrak reported that PJM had received detailed feedback on the strengths and weaknesses of our application. Strengths of the application were the number of units, number of participating TOs wide geographic region and wide array of vendors; realistic schedule and high probability of success. PJM currently in negotiation phase with DOE and expect to complete by mid-February. Next phase is Definitization Phase (up to 120 days): 3 main deliverables: Project Execution Plan, Cyber Security Plan and Benefits and Metrics. PJM thinks they have good drafts and will work to shorten the time. Next Phase is Project Execution Years 1 – 3. Project Closeout to begin 2013. DOE terms and Conditions issues include: Property Ownership and Encumbrance issues, Davis Bacon Act, Tax Implications Intellectual Property Rights, and Schedule Flexibility based on Force Majeure. Other issues involve whether these assets are CEII, PJM not deeming assets as critical but is leaving it up to individual TOs. PGE has stated in a rate filing that they intend to deem these assets as critical. Potential impact is that some of this hardware exists today but is not uniformly designated as critical, this designation could require these assets to be critical. PJM seeking clarification from FERC that this only applies to PGE. Questions were raised as to

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whether review of CIPS standards is being done. Ms Hendrak indicated a team has been established to Project Kickoff meeting at PJM January 26.

3. **Entry/exit provisions for a TO in the TOA/PJM Tariff up[date - (Bourquin)** – A call is scheduled this afternoon at 1pm. A previous conference call was held on 1/8/10. Mr. Bourquin reported that there appears to be general agreement on notice provisions. Voting protocols PJM has 2/3 requirement on entry/exit. There appears to be consensus generally that no need for change there. Ultimately proposals will need to be reviewed by overall membership because involves more than transmission. FE thinks the entry exit task force is appropriate forum to discuss these items, however not all TOs are participating. All TOs should make efforts to attend. It was clarified that discussions of the task force are confidential per the charter.
4. **PJM Transmission Owner NERC Reliability Standards Compliance – (Bowe)** – Mr. Bowe reported that there is no indication that there will be a FERC/NERC audit. No one from FERC or NERC is currently on audit team...only RFC staff. Likelihood is that someone from FERC/NERC will join audit team. Shortly mapping documents will be submitted to RFC. By end of next week PJM will submit documents to TOs prior to sending it to RFC. Last summer meeting regarding TO/TOP relationship. Tim Gallagher getting pressure from FERC/NERC for another meeting particularly with respect to adequacy of relay information in control room.
5. **Legal Issues Team (Rowtham - Kennedy)**
 - A. **Seventh Circuit Remand** - Ms Rowtham-Kennedy reported that today the Commission established a paper hearing on allocation of the costs of new transmission facilities that operate at or above 500 kilovolts (kV) in PJM, to supplement the record in response to a remand from the Seventh Circuit Court of Appeals. The court found that the Commission had not provided sufficient record evidence to justify its adoption of a postage-stamp cost allocation methodology for new transmission facilities operating at or above 500 kV. The paper hearing procedures established include the provision of certain information by PJM Interconnection, LLC, followed by initial and reply comments by PJM and other parties to the proceeding.
 - B. **Synchrophasor Project** – LIT has been meeting to review terms and conditions and is generating an issues list for PJM to use in its negotiations with DOE.
 - C. **Clarify that Schedule 12 applies to transmission assets (Rowtham-Kennedy)** – A number of TOs have been meeting to develop language and no agreement on language has been reached yet. Once there is agreement the language will be circulated to the LIT for review
 - D. **NERC procedural rule amendments for intervention rights - (Pincus)** –Continuing issue of allocation of costs for NERC penalties. Procedural issue is notice and opportunity to participate is required for penalty to be allocated to PJM TO such procedure does not exist at NERC. NERC wants to establish a list of parties who would have a right to intervene in a root cause proceeding if their conduct is

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involved...difficulty is how to you generate such list. No real progress has been made on this issue yet.

- E. **E-Tariff update – (Pincus)** - FERC issued a notice asking parties to propose a schedule for filing baseline tariffs. There is a six month window. EEI is submitting a joint notification filing for TOs. PJM is also submitting a joint notification with other RTOs filing next wee. PJM looking at filing date of August 10. FERC issuing a notice explaining requirements of what has to go into filings.
- F. **New Schedule 12 Issue** - Exelon pointed out that PJM has put forth cost allocation language for merchant TOs in Schedule 12 which is under TAC review today. Exelon is asking PJM to have LIT review. Pauline Foley will likely circulate language to LIT. LIT will discuss at next regular meeting.

- 6. **Invoicing related to generation interconnection studies** - (Schweizer) – see presentation and PJM seeks input on how to improve the process.
- 7. **PJM RTEP Update** (Herling) – PJM is putting together RTEP base cases. Putting together 2015 base case and doing some 2014 retooling particularly with respect to PATH and results of sensitivity case. Also looking at 2013 base case. One thing stressed at TEAC meeting is that there will be more sensitivity analyses. Feel they are getting whipsawed by number of changes. Looking at some at risk generating facilities, renewable integration, state goals around renewables, demand response and energy efficiency. Recognize this is not specifically actionable under the OA today, but this is something that needs to be discussed. Mr. Tatum queried what is risk associated with “at risk” generation. Mr. Herling replied that Joe Bowring’s work has primarily focused on things like carbon. PJM seeing a lot of retirements being announced this year. It is having quite an impact on PJM’s projections on to when violations will occur. Concern raised that to the outside world it looks like these larger transmission projects are not needed at all...moving a project by a year or two should not obviate the need. Need to address in our planning process. Need to get states more involved in 890 planning projects. Paul Napoli asked whether there is a way to incorporate the impact of demand response on reliability. Getting started on interconnection work for this year, PJM has set high goals for getting the studies out on time. There will be more communication on this later. Lastly the Board was taken aback at the magnitude of dollars in RTEP budget last year for existing projects. Wants PJM to start a discussion on this with TODO to determine what factors go into this. Will be on next TODO agenda. Asked for comment on TRAIL project...project moving along swimmingly...will be in by June 1, 2011. Asked whether there is a firm date for PATH and MAPP updated analysis. In WV required to new analysis by June 28. In MD Allegheny has asked for PATH to be able to submit additional data supporting project on June 28.
- 8. **ConEd Wheel update** – (Linde) – Ms Moskowitz reported that PJM and ConEd have been in litigation over 7 years on the ConEd Wheeling agreement. Parties reached settlement and filed last February a settlement agreement at FERC. Settlement provides for rollover of 1000MW wheel point to point in 2012. Five Parties filed the settlement and was supported by NYPSC and City of New York. Two parties opposed the settlement NRG and FERC trial

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staff.. Matter still pending and awaiting FERC decision. Rollover will result in costs being shared with PJM TOs.

9. Schedule for this year's meetings

- March 4, 2010 – *Baltimore (Pier V) instead of February 25, 2010*
- April 1, 2010 – *Baltimore (Pier V)*
- May 6, 2010 – *PJM Annual Meeting Place*
- July 15, 2010 – *Baltimore (Pier V)*
- August 19, 2010 – *Baltimore (Pier V)*
- October 14, 2010 – *Baltimore (Pier V)*
- December 1, 2010 – *Baltimore (Pier V)*

10. Other business

- **Tom Bainbridge reported that MISO TOs discussing injection/ withdrawal cost allocation methodology. First Energy wanted to give a heads up and will be happy to do presentation on this at the next meeting. Raj agreed to add this as an agenda item at the next meeting.**

Meeting adjourned at 12:11pm.

