



DRAFT Notes
PJM Interconnection
Cost Development Subcommittee (271st Meeting)
PJM Service Center – S-1
Monday April 9, 2012
10:00 AM

Members in Attendance:

Williams, Stanley (Chair)	PJM Interconnection	Not Applicable
Ciampaglio, Tony	Constellation	Other Supplier
Gomez, Luis	Exelon Generation Co., LLC	Transmission Owner
Hauske, Thomas (Secretary)	PJM Interconnection	Not applicable

Also in Attendance:

Dugan, William	Monitoring Analytics	Not applicable
Covino, Susan	PJM Interconnection	Not applicable
Eichorn, Sarah	PJM Interconnection	Not applicable
McAnany, James	PJM Interconnection	Not applicable
Schmitt, Jeffrey	PJM Interconnection	Not applicable
Zadlo, Thomas	PJM Interconnection	Not applicable

Attended via Teleconference / Webex:

Jacobson, Casey	AES Energy Storage LLC	Generation Owner
Berlinski, Michael	Beacon Power Corp	Other Supplier
Rutigliano, Tom	Constellation NewEnergy, Inc.	Other Supplier
Filomena, Guy	Customized Energy Solutions, Ltd.*	Not applicable
Horstmann, John	Dayton Power & Light	Transmission Owner
Maucher, Andrea	Division of the Public Advocate of State of Delaware	End User Customer
Campbell, Bruce	EnergyConnect, Inc.	Other Supplier
Frasier, Jennifer	EON	Not applicable
Stadlmeyer, Rebecca	Exelon Generation Co., LLC (ComEd Gen)	Not applicable
Palcic, Ronald	FirstEnergy Solutions Corp.	Transmission Owner
Siegrist, Hal	GenOn Energy Management, LLC	Generation Owner
Seymour, Melissa	IBERDROLA RENEWABLES, LLC	Generation Owner
Mabry, David	McNees Wallace & Nurick LLC	Not applicable
Gil, David	NextEra Energy Power Marketing, LLC	Generation Owner
Sandherr, Robert	PPL EnergyPlus, L.L.C.	Transmission Owner
Diamant, Martin	PSEG Energy Resources and Trade LLC	Transmission Owner
Lopez, Johny	PSEG Energy Resources and Trade LLC	Transmission Owner
Burkett, Bruce	Unknown	Unknown
Fereshetian, Damon	Viridity Energy, Inc.	Other Supplier
Donlon, Patrick	Wisconsin Electric Power Company	Generation Owner



1. **ADMINISTRATION**

CDS endorsed the minutes from the 270th CDS held on March 12, 2012 as amended.

CDS endorsed the Agenda for the 271st CDS. One member requested that Item 5 Demand Response Shutdown Cost agenda item be moved up, however the Chair declined because other participants had indicated they were planning to join the call later due to other schedule conflicts. Estimated times for agenda items were requested to be added on future CDS agendas, which the Chair agreed to provide.

2. **CDS UPDATE**

The Combined Cycle modeling Issue ([issue tracking](#)) was presented by Laura Walter at the March 29, 2012 Markets and Reliability Committee (MRC). MRC assigned the issue to the Operating Committee (OC); CDS members are encouraged to attend and participate in upcoming OC meetings. The next OC is April 10, 2012 at Milford.

At the March MRC meeting, the CDS was assigned the task to determine appropriate DSR shutdown costs. PJM staff developed and presented a problem statement for consideration by the CDS which was discussed under Agenda item 5.

The Chair noted the May CDS meeting will be held at the new PJM Conference and Training Center (CTC).

3. **ACR SURVEY**

Sarah Eichorn presented a short presentation on the triennial review of the Avoidable Cost Rate. Participants asked if additional data other than what is currently provided to the IMM would be requested. PJM staff indicated no additional data would be requested in addition to the information that is currently provided to the IMM.

4. **COMBUSTION TURBINE (CT) AND COMBINED CYCLE (CC) OVERHAUL COST RECOVERY: [ISSUE TRACKING](#)**

The CDS reviewed the previously-approved manual language and decided more clarity was needed. CDS added additional language that clarified that approved Long Term Maintenance Expenses for combined cycles and combustion turbines can be included in a unit's VOM until June 1, 2015. After June 1, 2015 Long Term Maintenance Expenses must be removed from a unit's VOM. PSE&G would like additional clarification language to be included and will provide the proposed changes for review at the next meeting.

Some stakeholders had comments on the Avoidable Cost Rate (ACR) and Variable Operating and Maintenance Timing whitepaper posted in the meeting materials. PJM will contact these stakeholders separately to solicit the detailed comments.



5. **DEMAND RESPONSE (DR) SHUTDOWN COSTS**

CDS reviewed the problem statement developed from the MRC charge and prioritized this item to be completed prior to Cyclic Peaking Factors and after Unit Types not Addressed in Manual 15. PJM staff will begin development of an education document for review and discussion at the next CDS meeting. Members should contact Laura Walter to provide relevant information for inclusion in the education document.

6. **ENERGY STORAGE UNIT COST OFFERS: UNIT TYPES NOT ADDRESSED BY MANUAL 15: [ISSUE TRACKING](#)**

As part of the educational effort, PJM presented two examples of energy storage unit losses. CDS also reviewed proposed manual language. After the review, CDS determined there was no need to revisit interest identification and the collaborative solution matrix to obtain a consensus solution. Additional changes to the manual language were identified to correct errors and add clarification on data requirements for units returning from an outage. Additional information was also added to identify costs to use for flywheel resources. PJM staff will contact flywheel owners to develop additional manual language for review at the next CDS meeting.

7. **IMMATURE UNIT DEFINITION: [ISSUE TRACKING](#)**

CDS reviewed amended manual language from the last meeting. Changes were made to identify an immature unit as one “with neither 10 years of operations nor 50,000 Operating Hours”. Clarification that all “historical, calculated or forecasted costs are to be converted to current year dollars” was also added. The CDS unanimously endorsed the changes to the immature unit definition as amended during the meeting and directed the CDS Chair to provide a first read of the proposed manual changes at the April MRC meeting.

Upon review by PJM staff following the CDS meeting, additional minor changes were identified as being necessary to provide guidance and clarity. As a result of these additional changes, PJM Staff will provide both a redline and clean version of the updated manual language for final review and endorsement by the CDS at the next meeting prior to providing it to the MRC for a first read.

8. **WIND COST OFFERS: UNITS NOT ADDRESSED IN MANUAL 15: [ISSUE TRACKING](#)**

CDS completed the collaborative solution matrix and will attempt to develop a consensus solution at the next meeting.

9. **CYCLIC PEAKING FACTORS: [ISSUE TRACKING](#)**

PJM presented member requested changes to the educational document on cyclic peaking and starting factors. CDS’s next step is to start interest identification.



10. CDS WORK PLAN AND FUTURE TOPICS

None at this time.

11. FUTURE MEETINGS

Monday, May 7, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, June 11, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, July 9, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, September 10, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, October 15, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, November 5, 2012	10:00 am until 3:00 pm	PJM CTC

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