

Energy Market Uplift Senior Task Force
PJM Conference and Training Center
February 25, 2015
9:00 a.m. – 3:00 p.m. EPT

Administration

1. Mr. Dave Anders opened the meeting and reviewed the agenda.
2. Ms. Cheryl Mae Velasco performed roll call, reviewed the meeting guidelines, and reviewed the draft meeting minutes. Minutes were approved and will be posted as final.

Review Open Action Items

Mr. Anders reviewed the remaining open action items from Phases 1 and 2. Mr. Ray Fernandez addressed the additional Phase 2 action item regarding netting later on in the meeting.

Results of Vote

A vote was distributed to the group between the February 5th meeting and the February 25th meeting, addressing CT LOC and enhancements to transmission planning. Both votes passed, with 100 % support for the transmission planning recommendation and 84% support for changes in the lost opportunity cost calculations. There was also 88% support to make a change from status quo, with 12% abstention. It was brought up that the group should provide the Planning Committee with a set of instructions to guide them when designing the enhancements in regards to the transmission planning voting item. This would help since the audience at the PC may differ from the group that has been participating in the EMUSTF discussions.

Cost Analysis

At the previous meeting, the group requested that PJM design a cost analysis, including performing a Day Ahead simulation. PJM stated that all transaction types can impact the dispatch and commitment of resources on the system and therefore impact uplift. PJM performed an analysis to remove INCs and DEC's from the Day Ahead run, resulting in a decrease in uplift but an increase in total production costs. Other suggestions for cost analysis were made, including looking at gross profitability of other transactions, or allocations based on profitability. Regression analysis is still on the table and PJM hopes to have a more concrete analysis done by the next meeting. An important note to mention is to focus on the convergence between Day Ahead and Real Time in order to reduce uplift. However, this could result in competing targets. PJM is hoping to pull additional data together to create a rough hypothesis surrounding transactions by location and profitability.

Netting

Mr. Fernandez presented additional information in response to Phase 2 action item number 49 referring to netting. A request was made to outline the current netting principles versus the proposed construct for balancing operating reserves.

Updated PJM Package M

Mr. Adam Keech reviewed PJM's package M for Phase 2, providing additional information for clarity and answering any outstanding questions. PJM is open to any edits and comments on the revised package however they have not received any to date.

Survey Design

Mr. Anders summarized the recent activity of the group and solicited feedback for the direction the group should head towards. There has not been any success in narrowing down the number of packages, and package owners have been hesitant to withdraw or modify their packages to achieve additional support. It is important to note that the level of uplift has decreased over the last 18 months and perhaps participants are no longer as concerned about the issue. However, several participants voiced the importance of continuing the group's work, to perform a cost analysis, and not to wait for FERC's decision in their 206 docket related to virtual transactions. For the following meeting, PJM is tasked to speak with MISO regarding the analysis that was done and filed with FERC, to gain insight and direction on the analysis that PJM is hoping to perform.

In Attendance (In Person):

Allen, Wesley	Red Wolf Energy Trading, LLC	Other Supplier
Anders, David	PJM Interconnection, LLC	Not Applicable
Benchek, Jim	FirstEnergy Solutions Corporation	Transmission Owner
Brodbeck, John	Potomac Electric Power Company	Electric Distributor
Ciabattoni, Joe	PJM Interconnection, LLC	Not Applicable
Fabiano, Janell	PJM Interconnection, LLC	Not Applicable
Fernandez, Ray	PJM Interconnection	Not Applicable
Foladare, Kenneth	IMG Midstream LLC	Generation Owner
Griffiths, Dan	Consumer Advocates of PJM States	Not Applicable
Hagaman, Derek	GT Power Group	Transmission Owner
Hughes, Adam	XO Energy MA, LP	Other Supplier
Johnson, Carl	Customized Energy Solutions, Ltd.*	Not Applicable
Kamitataru, Hideki	Other	None
Keech, Adam	PJM Interconnection, LLC	Not Applicable
Kogut, George	New York Power Authority	Other Supplier
Luna, Joel	Monitoring Analytics, LLC	Not Applicable
Mabry, David	McNees Wallace & Nurick LLC	Not Applicable
O'Connell, Robert	JPMorgan Ventures Energy Corporation	Other Supplier
Pratzon, David	GT Power Group	Not Applicable
Sasser, Jonathan	Customized Energy Solutions, Ltd.*	Not Applicable
Schnider, John	FirstEnergy Solutions Corporation	Transmission Owner
Sechrist, Erin	PJM Interconnection, LLC	Not Applicable
Shparber, Steve	PJM Interconnection, LLC	Not Applicable
Skucas, Ruta	Pierce Atwood	Not Applicable
Stadelmeyer, Rebecca	Exelon Business Services Company, LLC	Transmission Owner
Velasco, Cheryl Mae	PJM Interconnection, LLC	Not Applicable
Weathers, Brian	PJM Interconnection, LLC	Not Applicable

In Attendance (Teleconference):

Beaden, Joel	XO Energy MA, LP	Other Supplier
Bolan, Martin	FirstEnergy Solutions Corporation	Transmission Owner
Carmean, Gregory	OPSI	Not Applicable
Citrolo, John	PSEG Energy Resources and Trade LLC	Transmission Owner

Cox, Edward
 Cox, Phil
 Cox, Gregory
 Coyle, Billy
 Coyne, Suzanne
 Day, Jason
 Dessender, Harry
 Drangula, Carey
 Dugan, Chuck
 Eckes, Richard
 Engle, Andy
 Etnoyer, Scott
 Farber, John
 Filomena, Guy
 Fitch, Neal
 Fletcher, Blake
 Gabrieli, Anthony
 Gebolys, Debbie
 German, Robert
 Gilani, Rehan
 Gorman, Kevin
 Greening, Michele
 Hoatson, Tom
 Horstmann, John
 Hyzinski, Tom
 Jasani, Sachin
 Kingston, Amber
 Knies, Heather
 Kraemer, Neil
 Lacy, Catharine
 Lakey, Brian
 Lieberman, Steven
 Logsdon, Sebastian
 Mariam, Yohannes
 Marton, David
 McAdams, Julius
 Metzler, Jakob
 Nivolianitis, Ted
 Oehler, Cheryl
 Owens, Christina
 Paddock, Cory
 Patel, Keyurbhai
 Patten, Kevin
 Peoples, John
 Rajan, Abhijit
 Robson, Matt
 Rosati, Nick
 Rutigliano, Tom
 Saini, Ishwar
 Scarpignato, Dave
 Schuster, Brad
 Shaffer, Nick
 Shanker, Roy
 Sheehan, Kelli
 Sheehan, Shawn
 Slade, Louis
 Smith, Rusty
 Southard, Mark
 Suh, Jung

Appalachian Power Company
 Appalachain Power Company
 Solea Energy, LLC
 Dominion Virginia Power
 PJM Interconnection, LLC
 Oceanside Power, LLC
 Customized Energy Solutions, Ltd.*
 XO Energy MA, LP
 East Kentucky Power Cooperative, Inc.
 Exion Energy, Inc.
 XO Energy MA, LP
 Raven Power Marketing LLC
 DE Public Service Commission
 Customized Energy Solutions, Ltd.*
 NRG Power Marketing LLC
 ETC Endure Energy L.L.C.
 Ally Energy LLC.
 Other
 DTE Energy Trading, Inc.
 Rockland Electric Company
 Highlands Energy Group LLC (The)
 PPL EnergyPlus, L.L.C.
 Riverside Generating, LLC
 Dayton Power & Light Company (The)
 PPL EnergyPlus, L.L.C.
 Red Wolf Energy Trading, LLC
 North Carolina Electric Membership Corporation
 EDF Trading North America, LLC
 XO Energy MA, LP
 Dominion Virginia Power
 Appalachian Power Company (AEP Generation)
 Old Dominion Electric Cooperative
 Exion Energy, Inc. (Sub 5)
 Office of the Peoples Counsel for the District of Columbia
 FirstEnergy Solutions Corporation
 Red Wolf Energy Trading, LLC
 Castleton Commodities Merchant Trading L.P.
 TransAlta Energy Marketing (US) Inc. (Hudson)
 PPL Electric Utilities Corp. dba PPL Utilities (LSE)
 North Carolina Electric Membership Corporation
 GBE Energy Marketing Inc.
 PJM Interconnection, LLC
 Appalachain Power Company
 Duquesne Light Company
 Dominion Virginia Power
 SESCO Enterprises LLC
 Exion Energy, Inc. (Sub 2)
 Achieving Equilibrium LLC
 Macquarie Energy LLC
 Direct Energy Business, LLC
 XO Energy MA, LP
 Other
 H.Q. Energy Services
 XO Energy MA, LP
 XO Energy MA, LP
 Virginia Electric & Power Company
 Solea Energy, LLC
 Solea Energy, LLC
 Noble Americas Gas & Power Corp

Transmission Owner
 Transmission Owner
 Transmission Owner
 Not Applicable
 Not Applicable
 Other Supplier
 Not Applicable
 Other Supplier
 Transmission Owner
 None
 Other Supplier
 Generation Owner
 Not Applicable
 Not Applicable
 Generation Owner
 Other Supplier
 Other Supplier
 Not Applicable
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 Transmission Owner
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 Transmission Owner
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 Transmission Owner
 Transmission Owner



Draft Meeting Minutes

Thompson, Matt
Thompson, Matthew
Treadwell, Albert
Ward, Mike
Webster, John
Wilhite, Chad
Williams, Michael
Wojnowski, Warren
Yu, Joel

Author: Cheryl Mae Velasco

XO Energy MA, LP
XO Energy MA, LP
Allegheny Electric Cooperative, Inc.
PJM Interconnection, LLC
Icetec.com, Inc.
FirstEnergy Solutions Corp.
Black Oak Energy, LLC
Other
Rockland Electric Company

Other Supplier
Other Supplier
Electric Distributor
Not Applicable
Other Supplier
Transmission Owner
Other Supplier
None
Transmission Owner