



Regional Planning Process Task Force Meeting

Teleconference - Toll-free call-in number 866-398-2885

Passcode: 934672

WebEx Link: <https://pjm.webex.com>

Password: rpp0424pjm

April 24, 2013

1:00 p.m., Eastern Standard Time

- Call to Order, Announcements, Roll call, 20 min
 - Review Action Items
- Market Efficiency (ME) 40 min
 - Resumption of Consideration & Refresher of Last Status
 - Voting Information - Draft Presentation to prepare for voting on ME
- FERC Order on Order 1000 Compliance Filings 60 min
 - Compliance Tasks for Order 1000 (please see separate spreadsheet work paper)
- Upgrade Definition Discussion (Time Permitting)
- Action Items, RPPTF Tasks and Schedule, Conclude meeting 10 min



Action Items - Status

#	Owner	Status	Date Opened	Date Closed	Item
Administration					
Market Efficiency					
3	PJM	Closed	18-Apr	24-Apr	Resumption of ME Consideration—share last status after polling
Interregional Coordination					
Multi-Driver Approach					
8	PJM	Open	14-Mar		Provide review on two Hybrid "con's" (notated in deck)
9	Ron Chu	Open	18-Apr		Share precedents regarding "special" cases
Filings/FERC Orders					
3	PJM	Closed	18-Apr	24-Apr	Ensure Standing Agenda Item for order 1000 updates regarding PJM response to Compliance Items
4	RPPTF Stakeholders	Open	18-Apr		Share Stakeholder's identification of "significant items" on Order 1000 task list

- http://www.leagle.com/xmlResult.aspx?xmlDoc=19931340636NE2d704_11286.xml&docbase=CSLWAR2-1986-2006
- *“The City of Chicago (City) appeals from an order of the Illinois Commerce Commission (Commission) approving with modification Commonwealth Edison Company's (Edison) proposed Rider 28—Local Government Compliance Clause. In general, Rider 28 directs Edison to recover the marginal costs of providing "non-standard" service from customers within any governmental unit that mandates such service. Currently any additional costs associated with mandated non-standard service are recovered from all Edison consumers as a component of Edison's base electricity rates. Rider 28 would, for example, add a line-item charge, based upon kilowatt hours of electricity used, to the bill of any consumer who resides in a municipality that requires power lines to be buried, rather than suspended from poles.”*
- Researcher's Note: Rider 28 was approved before industry restructuring and when the subject utility had a bundled rate. This is an one-off situation and may or may not apply in today's world. Subject should undergo further legal and regulatory research.



RPPTF – Market Efficiency Resumption of Consideration & Voting Information

Market Efficiency Changes - Recommendations to MRC

- Vote required to determine main motion at MRC
- Package with highest majority > 50% becomes main motion at MRC
- Remaining option(s) with majority > 50% become minor motions

Benefit Determination Vote (May support both options):

1. Can you support changing the Benefit Determination to Package 4?
2. Can you support changing the Benefit Determination to Package 10?

Generation Expansion Vote (May support all options):

1. Can you support changing the method for future generation modeling to include option D (A+D)?
2. Can you support changing the method for future generation modeling to options B+D?
3. Can you support changing the method for future generation modeling to options D+G?



Market Efficiency- Benefit Determination – Final Packages for Vote

Package 4 Description

- Regional Energy Benefit: 50% change in production costs + 50% change in net load payments all zones.
- Regional Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments all zones.
- Lower Voltage Energy Benefit: 50% change in production costs + 50% change in net load payments for zones with decrease in net load payments.
- Lower Voltage Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payment for zones with decrease in net capacity payments.

Package 10 Description

- Regional Energy Benefit: 50% change in production costs + 50% change in net load payments for zones with decrease in net load payments.
- Regional Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payment for zones with decrease in net capacity payments.
- Lower Voltage Energy Benefit: 100% change in net load payments for zones with decrease in net load payments.
- Lower Voltage Capacity Benefit: 100% change in net capacity payment for zones with decrease in net capacity payments.



Market Efficiency- Benefit Determination – Final Packages for Vote

Design Element	Current	Package 4	Package 10
1 Benefit Determination: Regional Project	Total Benefit= Energy + Capacity Benefit		
	Energy Benefit: 70% change in production costs + 30% change in net load payments all zones	Energy Benefit: 50% change in production costs + 50% change in net load payments all zones	Energy Benefit: 50% change in production costs + 50% change in net load payments (only zones with decrease in net load payments)
	Capacity Benefit: 70% change in capacity costs + 30% change in net capacity payments all zones	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments all zones	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments (only zones with decrease in net capacity payments)
	Total Benefit= Energy + Capacity Benefit		
2 Benefit Determination: Lower Voltage Project	Total Benefit= Energy + Capacity Benefit		
	Energy Benefit: 70% change in production costs + 30% change in net load payments(only zones with decrease in net load payments)	Energy Benefit: 50% change in production costs + 50% change in net load payments(only zones with decrease in net load payments)	Energy Benefit: 100% change in net load payments (only zones with decrease in net load payments)
	Capacity Benefit: 70% change in capacity costs + 30% change in net capacity payments (only zones with decrease in net capacity payments)	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments (only zones with decrease in net capacity payments)	Capacity Benefit: 100% change in net capacity payments (only zones with decrease in net capacity payments)
	Total Benefit= Energy + Capacity Benefit		

Design Elements A+D

- Design Element A (Status Quo): Include all ISA. Scale existing units based on location and technology to meet Reserve Requirement
- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.

Design Elements B+D (PJM Recommended)

- Design Element B: Include all ISA and FSA. Scale existing units based on location and technology to meet Reserve Requirement. Review of FSA units for exceptions.
- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.

Design Elements D+G

- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.
- Design Element G: Include all ISA. Add units on HV system based on location and technology to meet Reserve Requirement.

- Permit PJM to remove select FSA units from Market Efficiency analysis
 - Reduces modeling error due to completion, technological or timing risks resulting from large generation (e.g. nuclear generation station) or FSA-related transmission ($\geq 500\text{kV}$) projects
 - Remove FSA units that are suspended or with announced retirements
 - Review with Stakeholders final Market Efficiency model changes for FSA units

Productions Costs definition change (*Reviewed with no objections at December RPPTF*)

- Production Costs definition: *Estimated total annual fuel costs, variable O&M costs, and emission costs of the dispatched resources in the PJM Region. **Costs for purchases from outside of the PJM area and sales to outside the PJM area will be captured if appropriate. Purchases will be valued at the Load Weighted LMP and sales will be valued at the Generation Weighted LMP.***
- *Consensus Achieved at December RPPTF Meeting.*
 - *Re-Confirm Tier 1 Consensus*

Compliance Tasks for Order 1000 (please see separate spreadsheet work paper)

Time Permitting – Engage in discussion on definition of “upgrade”

Anti-trust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.

Public Meetings/Media Participation:

Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. Stakeholders are also not allowed to create audio, video or online recordings of PJM meetings.