

BOARD OF MANAGERS MEETING MINUTES

Dec. 4, 2022

A multiple-day meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at the Rittenhouse Hotel at approximately 6:45 p.m. on Dec. 4, 2022.

The following Board members were present, constituting a quorum:

- Mark Takahashi, Chair
- Manu Asthana, President and Chief Executive Officer (ex officio)
- Terry Blackwell
- Margo Loebel
- David Mills
- Dean Oskvig
- Vickie VanZandt

Paula Conboy, Jeanine Johnson and Charles Robinson had excused absences.

* * * *

Dec. 5, 2022

The meeting of the PJM Board was reconvened at the Rittenhouse Hotel and via Teams at approximately 2:30 p.m. on Dec. 5, 2022.

The following Board members were present, (either in person or remotely), constituting a quorum:

- Mark Takahashi, Chair
- Manu Asthana, President and Chief Executive Officer (ex officio)
- Terry Blackwell
- Paula Conboy (attending via Teams)
- Jeanine Johnson
- Margo Loebel
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Present for the meeting, or a portion of the meeting, were the following PJM personnel:

- Stu Bresler, Sr. Vice President – Market Services
- Scott Benner, Sr. Lead Engineer – Market Services
- Emanuel Bernabeu, Sr. Director, Applied Innovation – Market Design & Economics
- Michael Bryson, Sr. Vice President – Operations
- Carl Coscia, Vice President, Chief Risk Officer
- Lisa Drauschak, Vice President, Chief Financial Officer and Treasurer
- Geo Forsythe, Program Manager – Corporate Client Solutions (attending via Teams)
- Craig Glazer, Vice President – Federal Government Policy
- Asim Haque, Vice President – State & Member Services
- Chantal Hendrzak, Executive Director, IT Operations & Architecture – Information & Technology Service
- Adam Keech, Vice President – Market Design & Economics
- Bryon Koskela, Executive Director, IT Business Solutions & Applications Dev – Information & Technology Service (attending via Teams)
- Anthony LaRosa, Manager – ITS Planning & Financial Services
- Earl Lynch, Sr. Director – Client Services (attending via Teams)
- Steve McElwee, Chief Information Security Officer (attending via Teams)
- Sean McNamara, Sr. Director, IT Infrastructure Operations – Information & Technology Service (attending via Teams)
- Foluso Afelumo, Director, Applications Development (attending via Teams)
- Tom O'Brien, Sr. Vice President, Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel
- Asanga Perera, Sr. Manager, Advanced Analytics – Market Services
- Ricardo Rodriguez, Sr. Director – Internal Audit
- James Ruddell, Manager – ITS Process Engineering & Innovation (attending via Teams)
- Tahir Saeed, Sr. Director – ITS Business & Innovation Services
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Kenneth Seiler, Vice President – Planning
- Nora Swimm, Sr. Vice President – Corporate Client Services
- Thomas Zadlo, Sr. Manager – Corporate Data Management (attending via Teams)

* * * *

STRATEGY SESSION: ASSESSMENT OF FUTURE RESOURCE ADEQUACY

- Scott Benner, Emanuel Bernabeu, and Asanga Perera provided an update on PJM's analyses regarding future reserve adequacy, including challenges such as climate policies and supply chain issues. They also reviewed forecasts of retirements, generation new entry, retirement forecast, peak load and reserve margins, as well as underlying analyses to the forecast.
- Asim Haque provided an overview of PJM's 2023 Resilience Initiative and Goal to address system reliability needs during the decarbonization of the supply portfolio. Those goals include evaluating current reliability studies, identifying required critical actions and developing a communication plan.
- Adam Keech provided an overview of capacity market issues, including the activities of the Resource Adequacy Senior Task Force (RASTF). Keech described the key work activities and priorities of the RASTF, including stakeholder considerations and a possible path forward.
- Stu Bresler provided an overview of the Board Strategic Discussion Roadmap, highlighting the 2022 goals completed in the areas of Diversity, Equity & Inclusion, Grid of the Future, IT Data & Analytics and Workforce Capability. Bresler reviewed 2023 activities including Future Resource Adequacy, Resiliency, Risk Management, Distributed Resources and continued efforts around Workforce Capability.

The Board adjourned at approximately 6:20 p.m.

* * * *

BOARD OF MANAGERS MEETING

Dec. 6, 2022

The meeting of the PJM Board was reconvened at the Rittenhouse Hotel and via Teams at approximately 11:15 a.m. on Dec. 6, 2022.

The following Board members were present, constituting a quorum:

- Mark Takahashi, Chair
- Manu Asthana, President and Chief Executive Officer (ex officio)
- Terry Blackwell
- Paula Conboy (attending via Teams)
- Jeanine Johnson
- Margo Loebel
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Present for the meeting, or a portion of the meeting, were the following PJM personnel:

- Stu Bresler, Sr. Vice President – Market Services
- Michael Bryson, Sr. Vice President – Operations
- Carl Coscia, Vice President, Chief Risk Officer
- Michael Coyle, Chief Diversity Officer
- Lisa Drauschak, Vice President, Chief Financial Officer and Treasurer
- Craig Glazer, Vice President – Federal Government Policy
- Asim Haque, Vice President – State & Member Services
- Colleen Hicks, Associate General Counsel – Office of General Counsel
- Adam Keech, Vice President – Market Design & Economics
- Tom O'Brien, Senior Vice President, Chief Information Officer
- Chris O'Hara, Senior Vice President, General Counsel
- Ricardo Rodriguez, Senior Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Kenneth Seiler, Vice President – Planning
- Nora Swimm, Senior Vice President – Corporate Client Services

* * * *

ADMINISTRATION

Upon a motion duly made, seconded and unanimously adopted, the Board approved the minutes (including public versions) of its Oct. 4, 2022, and Oct. 26, 2022, meetings.

REVIEW OF EFFECTIVE LOAD CARRYING CAPABILITY (ELCC) AND CAPACITY INTERCONNECTION RIGHTS (CIRS) UPDATE

- Ken Seiler provided an updated report on the status and timeline on the implementation of CIRs for ELCCs for new accreditation standard. There are currently three solution packages and no consensus on the transition from the status quo to a proposed solution. PJM may seek Board approval for another regulatory solution if there is no solution voted upon by membership.

* * * *

The meeting adjourned at 12:38 p.m. The meeting reconvened at 1:12 p.m.

COMPETITIVE MARKETS COMMITTEE (CMC) REPORT

- David Mills reported on the CMC meeting held on Dec. 5, 2022, and the materials presented therein.
- Mills sought approval of changes to the Reliability Assurance Agreement (RAA) regarding prohibiting demand response on natural gas infrastructure.

Upon a motion duly made and seconded, the Board unanimously approved the revisions to the Reliability Assurance Agreement approving updates to eligibility for Demand Resources and conforming revisions excluding Demand Response from the Minimum Offer Price Rule (Attachment A).

- Mills further reported that the CMC received reports from:
 - Adam Keech on the Future of Resource Adequacy and the need for a letter from the Board regarding the Resource Adequacy Senior Task Force;
 - Danielle Croop on the circuit breaker issue and the potential need (absent stakeholder support on a solution) for PJM to make a 206 filing;
 - Tim Horger on the status of the 2022 corporate goal relating to uplift payments, including the challenges associated with meeting the goal, which may result in the completion of the goal in 2023;
 - Walter Graf on the activities of the Clean Attribute Procurement Senior Task Force and PJM's activities in the OPSI Competitive Policy Achievement Working Group; and
 - The Independent Market Monitor on its perspectives on the BRA 23/24 auctions and recommended market improvements.

RELIABILITY & SECURITY COMMITTEE (RSC) REPORT

- Dean Oskvig reported on the RSC meeting held on Dec. 5, 2022, and the materials presented therein.
- Oskvig reported that Sue Glatz reviewed the identification and selection of New Jersey Board of Public Utilities baseline public policy projects, which were included in the Regional Transmission Expansion Plan (RTEP) endorsement. given that FERC had accepted the proposed cost allocation. The Committee also reviewed and endorsed other baseline reliability projects with respect to the 2022 RTEP.

Upon a motion duly made and seconded, the Board unanimously approved a resolution related to the changes to the baseline reliability projects related to the 2022 RTEP (Attachment B).

- Oskvig sought approval for the Installed Reserve Margin (IRM) study results and Forecast Pool Requirement (FPR) for delivery years 2023/2024, 2024/2025, 2025/2026 and 2026/2027.

Upon a motion duly made and seconded, the Board unanimously approved a resolution related to the changes to the IRM and FPR for identified delivery years (Attachment C).

- Oskvig reported the RSC received reports from:
 - Tom Falin on recent changes to PJM's load forecast model and preliminary 2023 forecast;

* * * *

REGULATORY COMMITTEE (RC) REPORT

- Paula Conboy reported on the RC meeting held on Dec. 5, 2022, and the materials included therein.
- Conboy reported that the RC welcomed the Hon. Charlotte Mitchell, the chair of the North Carolina Public Service Commission and the new OPSI chair, and reviewed issues of importance to OPSI. Mitchell encouraged PJM to continue to understand the policies and challenges of the different states and raise any concerns with OPSI; Mitchell shared OPSI's current priorities, including the interconnection queue, reliability and circuit break issue – stressing the importance of reliability; and reiterated the desire of OPSI to constructively engage with the PJM Board.
- Conboy reported that Craig Glazer provided a FERC federal regulatory update, including FERC Chairman Glick's legacy at FERC and anticipated leadership changes at FERC.
- Conboy also reported on the state report, including overview of state default service auctions and engagement with various legislative activities in PJM states.
- Conboy reported that the RC reviewed the RC charter and self-assessment. No significant changes were recommended to the charter.

* * * *

FINANCE COMMITTEE (FC) REPORT

- Jeanine Johnson reported on the Finance Committee Meeting held on Nov. 22, 2022.
- Lisa Drauschak reported on PJM's 3Q unaudited financial statements for the period ending Sept. 30, 2022, and FERC's approval of the Schedule 9-PSI settlement.
- Jim Snow and Gwen Keller reported on PJM's 3Q operating expenses and capital spending for the period ending Sept. 30, 2022.
- Snow presented the updated PJM 2022 spending forecast and reviewed the 2023 FC Work Plan, and discussed the role of the FC.
- The Committee also discussed opportunities for Members to have increased participation at FC meetings.

Bresler, Bryson, Drauschak, Glazer, Haque, Hicks, Keech, O'Brien, Rodriguez, Salmon, Seiler and Swimm exited the meeting at 2:30 p.m.

* * * *

The Board adjourned on Dec. 6, 2022, at approximately 4:20 p.m.

* * * *