

## Board of Managers Meeting Minutes

### February 15, 2023

The meeting of the PJM Board was convened at the Willard Hotel and via Teams at approximately 8:30 a.m. on February 15, 2023.

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

- Mark Takahashi, Chair
- Manu Asthana, President and Chief Executive Officer (ex officio)
- Terry Blackwell
- Paula Conboy
- Jeanine Johnson (via Teams)
- 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
- Rebecca Carroll, Sr. Director, Market Design – Market Design & Economics
- Carl Coscia, Vice President, Chief Risk 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, Sr. Vice President – Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel (attending via Teams)
- Ricardo Rodriguez, Sr. Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Kenneth Seiler, Vice President – Planning
- Nora Swimm, Sr. Vice President – Corporate Client Services

### STRATEGY SESSION:

- Stu Bresler discussed the PJM strategy materials included in the Board materials.

- Becky Carroll and Adam Keech discussed the strategy material included in the Board materials related to the Circuit Breaker and Resource Adequacy Senior Task Force.

Carl Coscia left the meeting at 9:30 a.m. and rejoined the meeting at noon.

Becky Carroll left the meeting at noon.

## **February 15, 2023**

The meeting of the PJM Board was reconvened at the Willard Hotel and via Teams at approximately 12:30 p.m. on February 15, 2023.

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
- Jeanine Johnson (attending via Teams)
- 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
- 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 (attending via Teams)
- Ricardo Rodriguez, Sr. Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Kenneth Seiler, Vice President – Planning
- Nora Swimm, Sr. 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 December 6, 2022 (as amended), December 20, 2022, January 10, 2023, January 23, 2023, and January 26, 2023, meetings.

## WINTER STORM ELLIOTT

- Carl Coscia reviewed the Board materials related to Winter Storm Elliott, including outreach to Market Participants.
- Stu Bresler reviewed issues related to the Performance Assessment Interval (PAI) included in the Board materials, including potential excusals from performance, the issuance of PAI penalties and subsequent issuance of invoices.
- Adam Keech discussed an upcoming report on Winter Storm Elliott to be published in April 2023 and a subsequent report to be issued in June 2023 on lessons learned.
- Mike Bryson reviewed generator performance from PJM's eGADS (Generator Availability Data System), including outage data.

## COMPETITIVE MARKETS COMMITTEE (CMC) REPORT

- David Mills reported on the CMC meeting held on February 14, 2023, and the materials presented therein.
- Mills sought approval of changes to the Manual 15: Cost Development Guidelines relating to start-up costs for generators and emission adders to correspond to recent FERC orders.

**Upon a motion duly made and seconded, the Board unanimously approved the revisions to the Manual 15: Cost Development Guidelines to comply with recent FERC orders related to generator start-up cost and emissions adders (Attachment A).**

- Mills further reported that the CMC received reports on:
  - The analysis of Clean Attribute Procurement models
  - Reactive service compensation for generators
  - Market rules for co-located load with generation, including the retention of capacity interconnection rights (CIRs)
- The CMC further received a report from Monitoring Analytics LLC, which provided a preview of the PJM State of the Market – 2023 report.

## RELIABILITY & SECURITY COMMITTEE (RSC)

- Dean Oskvig reported on the RSC meeting held on February 14, 2023, and the materials presented therein.
- Oskvig reviewed the resolution included in the Board materials related to baseline changes to the Regional Transmission Expansion Plan (RTEP) relating to reliability and market efficiencies.

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

- Oskvig further reported that the RSC received reports on:
  - Winter Storm Elliott and near-term actions that PJM is conducting following the event

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- Oskvig reported that the RSC endorsed changes to the RSC Charter.

## **REGULATORY COMMITTEE (RC) REPORT**

- Paula Conboy reported on the RC meeting held on February 13, 2023, and the materials included therein.
- Conboy reported that the RC received reports on:
  - FERC regulatory and legislative updates, including various upcoming oversight hearings and investigations and Acting FERC Chair Willie Phillips' priorities
  - NERC and FERC joint efforts, including a focus on winter operations
  - State legislative updates, including state carbon initiatives and reliability

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## **FINANCE COMMITTEE (FC) REPORT**

- Jeanine Johnson reported that no Finance Committee Meeting has been held since the last meeting.

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

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The Board adjourned on February 15, 2023, at approximately 4:15 p.m.

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**Resolution for the Meeting of the PJM Board of Managers  
Approval of Updates to PJM Manual 15  
February 15, 2023**

WHEREAS, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., (“Operating Agreement”), Schedule 2, section 1.2 provides that the PJM Board of Managers (Board) is responsible for defining in detail the method of determining the cost components for cost-based offers in the PJM energy markets;

WHEREAS, PJM Manual 15: Cost Development Guidelines details the method of determining the cost components for cost-based offers;

WHEREAS, PJM Manual 34, section 11.15 requires Board approval of revisions to PJM Manual 15;

WHEREAS, PJM submitted Operating Agreement revisions to the Federal Energy Regulatory Commission concerning allowable Start-up Costs, as well as amendments to rules related to the inclusion of environmental credits and emissions adders associated with a resource’s cost-based offer

WHEREAS, the Federal Energy Regulatory Commission accepted the proposed revisions on January 10, 2023, with an effective date of June 1, 2023, as requested by PJM;

WHEREAS, PJM is proposing to update the PJM Manual 15 to make conforming revisions based on the recently accepted Operating Agreement provisions concerning Start-Up Costs, environmental credits and emissions adders;

WHEREAS, the PJM Markets and Reliability Committee and Members Committee endorsed the proposed updates to PJM Manual 15 for Start-Up Costs by acclamation on July 27, 2022, with no objections and one abstention,

WHEREAS, the PJM Markets and Reliability Committee endorsed the proposed updates to PJM Manual 15 relating to environmental credits and emissions adders by acclamation with two objections and one abstention on August 24, 2022, while the PJM Member’s Committee reviewed and endorsed the proposed revisions to PJM Manual 15 relating to environmental credits and emissions adders on September 21, 2022, by acclamation with no objection or abstention;

WHEREAS, PJM management recommends the proposed revisions to the PJM Manual 15 revisions to the full Board for approval effective June 1, 2023;

WHEREAS, the Board, through the Competitive Markets Committee, has been provided with summary presentation materials and has reviewed the relevant revisions; and

NOW, THEREFORE, BE IT RESOLVED, that the Board, having reviewed the proposed revisions to PJM Manual 15, hereby approves the revisions to PJM Manual 15 to effectuate the aforementioned revisions to be effective June 1, 2023.

**Resolution for the Meeting of the Board of Managers  
2022 Regional Transmission Expansion Plan  
February 15, 2023**

WHEREAS, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., Schedule 6, section 1.6 (a) provides that the PJM Board of Managers is responsible for approving changes to the Regional Transmission Expansion Plan (RTEP) and cost allocations for transmission enhancements and expansions consistent with PJM Open Access Transmission Tariff, Schedule 12 (Tariff, Schedule 12);

WHEREAS, the Transmission Expansion Advisory Committee (TEAC) has reviewed and been provided the opportunity to comment on the elements of the changes to the 2022 RTEP; and

WHEREAS, the Board of Managers has reviewed the RTEP material developed by PJM in consultation with the TEAC, including the elements and cost allocations related to the proposed changes to the 2022 RTEP and the recommendations of the Board of Managers Reliability and Security Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Managers hereby approves the 2022 RTEP, including changes resulting in an overall net increase of approximately \$644.72 million and associated cost allocations in accordance with Tariff, Schedule 12, resulting from:

- a) New baseline projects totaling approximately \$634.34 million comprising: PJM reliability criteria enhancements totaling approximately \$452.49 million, transmission owner FERC Form 715 planning criteria enhancements totaling approximately \$107.77 million, market efficiency enhancements totaling approximately \$0.20 million and multi-driver enhancements totaling approximately \$73.88 million;
- b) Cost changes to an existing approved RTEP baseline project totaling a \$10.64 million net increase; and
- c) Cancellation of an existing approved RTEP baseline project totaling a \$0.26 million net decrease.

The Board of Managers further directs PJM to file with the Federal Energy Regulatory Commission under Federal Power Act section 205, within 30 days of the date of this approval, the cost allocations for each approved RTEP project as required pursuant to the PJM Tariff, Schedule 12, section (b)(viii).