

BOARD OF MANAGERS MEETING MINUTES

April 2, 2023

A multiple-day meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at the Ritz Carlton Hotel at approximately 6:45 p.m. on April 2, 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
- Margo Loebel
- Jeanine Johnson
- David Mills
- Dean Oskvig
- Vickie VanZandt

Charles Robinson had an excused absence.

The Board met in Executive Session and reviewed the agenda and schedule for the following days.

Manu Asthana exited the meeting at 8 p.m.

The Board adjourned at approximately 8:30 p.m.

April 4, 2023

The meeting of the PJM Board was reconvened at the Ritz Carlton and via MS Teams at approximately 9:45 a.m. on April 4, 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
- 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
- Tim Burdis, Sr. Manager, State Policy Solutions – State & Member Services
- Jason Connell, Sr. Director, Interconnection Planning – Planning
- Lisa Drauschak, Vice President, Chief Financial Officer and Treasurer
- Brian Fitzpatrick, Principal Fuel Supply Strategist – Generation
- Craig Glazer, Vice President – Federal Government Policy
- Asim Haque, Vice President – State & Member Services
- Colleen Hicks, Managing Counsel – Office of General Counsel
- Adam Keech, Vice President – Market Design & Economics
- Tom O'Brien, Sr. Vice President and Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel, Secretary & Chief Compliance Officer
- Chris Pulong, Sr. Director, Operations Planning – Operations
- Ricardo Rodriguez, Executive 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 material.
- Asim Haque discussed the strategy materials included in the Board material related to PJM's reliability initiative, including its purpose, goals and timeline.
- Brian Fitzpatrick discussed the strategy materials included in the Board material related to natural gas fuel supply issues.

Tim Burdis, Fitzpatrick and Chris Pulong exited the meeting at 10:42 a.m.

- Adam Keech discussed the strategy materials included in the Board material related to PJM's Reserve Market Design and fuel procurement incentives.
- Ken Seiler and Jason Connell discussed the strategy materials included in the Board material related to the status of PJM's interconnection reform process, including forecast, timelines and status of studies.

The meeting adjourned at approximately 11:30 a.m.

The meeting of the PJM Board was reconvened at the Ritz Carlton and via MS Teams at approximately 11:45 a.m. on April 4, 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
- 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
- Lisa Drauschak, Vice President, Chief Financial Officer and Treasurer
- Craig Glazer, Vice President – Federal Government Policy
- Jim Gluck, Director – Enterprise Information Security
- Asim Haque, Vice President – State & Member Services
- Colleen Hicks, Managing Counsel – Office of General Counsel
- Adam Keech, Vice President – Market Design & Economics
- Steve McElwee, Chief Information Security Officer
- Tom O'Brien, Sr. Vice President and Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel, Secretary & Chief Compliance Officer
- Ricardo Rodriguez, Executive 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 February 15, 2023; February 23, 2023; and March 23, 2023, meetings.

WINTER STORM ELLIOTT

- Lisa Drauschak reviewed the Performance Assessment Interval (PAI) bonuses and charges resulting from Winter Storm Elliott and the breakdown of Market Participant's three- and nine-month payment election options.
- Drauschak described the credit risk mitigation actions PJM has employed with respect to the payment of PAI bonuses and credits, including projections based on payment elections and the risk of nonpayment posed by high-risk members.

COMPETITIVE MARKETS COMMITTEE (CMC) REPORT

- David Mills reported on the CMC meeting held on April 3, 2023, and the materials presented therein.
- Mills sought approval of changes to Manual 15: Cost Development Guidelines relating to default operating and maintenance costs and emission adders to correspond to recent FERC filings.

Upon a motion duly made, and seconded, the Board unanimously approved the updates to Manual 15: Cost Development Guidelines concerning operating and maintenance costs (Attachment A).

- Mills further reported that the CMC received reports on:
 - The Critical Issue Fast Path Process, including timing and its components
 - The Independent Market Monitor's perspectives on PJM's capacity market review, including proposed reforms to the PJM capacity market
 - Order 2222 implementation

RELIABILITY & SECURITY COMMITTEE (RSC) REPORT

- Dean Oskvig reported on the RSC meeting held on April 3, 2023, and the materials presented therein.

Upon a motion duly made, and seconded, the Board unanimously approved the revisions to the 2022 RTEP relating to the addition of new baseline projects and cancellation of existing baseline projects (Attachment B).

REGULATORY COMMITTEE (RC) REPORT

- Paula Conboy reported on the RC meeting held on April 3, 2023, and the materials included therein.

- Conboy reported that the RC received reports on:
 - FERC regulatory and legislative updates, including the recently enacted EPA Good Neighbor Rule addressing the regulation of nitrogen oxides
 - State legislative and regulatory updates, including state clean energy initiatives

FINANCE COMMITTEE (FC) REPORT

- Jeanine Johnson reported on the Finance Committee Meeting held on March 29, 2023. The FC received reports on:
 - Monitoring Analytics, LLC's 2022 financial results
 - PJM's 2022 Audited Financial Statement Review for the twelve months ending December 31, 2022
 - PJM's Fourth Quarter 2022 Financial Review of operating expenses, service category charges and capital spending for the quarter ending December 31, 2022

Bresler, Michael Bryson, Drauschak, Craig Glazer, Haque, Colleen Hicks, Keech, Tom O'Brien, Chris O'Hara, Ricardo Rodriguez, Lisa Salmon, Seiler and Nora Swimm exited the meeting at 4:10 p.m.

RESOLUTION FOR THE MEETING OF THE PJM BOARD OF MANAGERS

April 4, 2023

Approval of Updates to PJM Manual 15

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 (“FERC”) concerning default operating costs and minor maintenance costs, as well as amendments to eliminate the annual review requirement for Market Sellers that elect to use such default adders;

WHEREAS, PJM submitted the proposed revisions to FERC on February 17, 2023, with a requested effective date of June 1, 2023;

WHEREAS, PJM is proposing to update PJM Manual 15 to make conforming revisions based on the proposed Operating Agreement provisions concerning maintenance and operating costs;

WHEREAS, the PJM Markets and Reliability Committee endorsed the proposed revisions to PJM Manual 15 relating to maintenance and operating costs with a sector weighted vote of 4.484 on November 16, 2022, while the PJM Member’s Committee, reviewed and endorsed the proposed revisions to PJM Manual 15 relating to maintenance and operating costs on December 21, 2022 by acclamation with no objection and one abstention;

WHEREAS, PJM management recommends the conforming revisions to the PJM Manual 15 revisions to the full Board for approval effective June 1, 2023, contingent upon approval FERC approval of the Operating Agreement revisions; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board, having reviewed the proposed revisions to PJM Manual 15, hereby approves, subject to FERC approval of the pending Operating Agreement provisions, the proposed revisions to PJM Manual 15 to be effective June 1, 2023.

RESOLUTION FOR THE MEETING OF THE BOARD OF MANAGERS

April 4, 2023

2022 Regional Transmission Expansion Plan

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 shall approve additions and changes to the Regional Transmission Expansion Plan (“RTEP”), in accordance with the requirements of Operating Agreement, Schedule 6 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 proposed transmission expansions and enhancements and cost allocations related to the proposed additions and 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 additions and changes to the 2022 RTEP resulting in an overall net decrease of approximately \$85.45 million, and associated cost allocations in accordance with Tariff, Schedule 12, as such may be modified by the Federal Energy Regulatory Commission (FERC) resulting from:

- (a) New baseline projects totaling approximately \$101.50 million comprised of: transmission owner FERC Form 715 planning criteria enhancements totaling approximately \$101.50 million; and
- (b) Cancellation of existing approved RTEP baseline projects totaling a \$186.95 million net decrease.

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