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Dear Members,

As I communicated by letter dated April 12, 2019, at its meeting on April 3, 2019, the PJM Board decided, on a trial basis, to schedule closed session meetings between representatives of the PJM Board and each individual sector in an effort to foster elevated and strategic communications.

To this end, on April 23, 2019, PJM Board members Ake Almgren, Dean Oskvig, Mark Takahashi and myself met with executive leadership from Transmission Owners, First Energy, Duke, Dominion, PSEG, Exelon, and AEP. At the outset of the April 23, 2019 meeting, PJM's Senior Vice President and General Counsel reminded attendees of the following principles:

1. the meeting was convened by PJM in response to stakeholder request;
2. the PJM Board is an independent body;
3. it acts only as a body and individual representatives of the Board do not make any binding commitments on behalf of the Board or PJM;
4. the purpose of the meeting is for the Board representatives to listen and hear directly from the sector;
5. discussions will be confined to the agenda topics and remain at a strategic and educational level; to the extent discussions head into detailed recommendations or into matters pending before the Board, the discussion be redirected; and
6. the meeting is *ex parte* and PJM will disclose briefly, by public posting on its website, the topics discussed promptly following the meeting.

Additionally, counsel provided attendees the antitrust direction as used by PJM for its other stakeholder meetings.

Meeting Agenda Topics and Summary of Discussion:

1. Governance
Discussion was had on membership, the stakeholder process and voting representation. Attendees expressed support for the senior executive meeting and a desire to institutionalize a periodic meeting of this sort going forward.
2. Monitoring Analytics (MA)
The group discussed scope of function/responsibility, timeliness of performance, balanced and trusted relationships, advocacy versus independence and the perception of outcome-driven/decision-making, accountability, prioritization/materiality and role in the planning process.

3. GreenHat default and PJM's new risk organization
Attendees discussed the board's actions to improve risk management, not only of financial risks, but of all risks. Attendees discussed the ramifications, organizational changes, market rules, and imposing needed rule reform. Discussion was had on surveillance of trading behavior and an examination of products and their cost/benefit, membership standards/qualifications, and ways for major market participants to understand and report on their individual risk exposure to PJM and the PJM pool.
4. Market design leadership
Attendees discussed PJM's strategic plan for the next 5 years in light of change and disruption in the business, changing customer preferences, and increasing forces trending toward operations in a carbon constrained future. The group discussed the PJM's resource adequacy market and state environmental objectives.
5. Capacity market auction timing
Attendees discussed current regulatory uncertainty facing the upcoming PJM base residual auction and the pros and cons of delaying the auction.
6. Transmission issues
The group discussed supplemental projects, TO steps to improve transparency and demonstrate value to customers associated with transmission investment, role differences (PJM vs. TO), queue management, FERC Order No. 1000, competitive transmission and support for PJM's sponsorship model, and challenges associated with transparency for CIP 14 projects.

The meeting concluded 90 minutes after its start.

Sincerely,



Andrew Ott
President & CEO