



PJM Interconnection, LLC
2750 Monroe Blvd.
Audubon, PA 19403-2497

Christopher C. O'Hara
VP, Deputy General Counsel
Chris.ohara@pjm.com

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Dear Members,

As you may be aware, the PJM Board has agreed to conduct 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, at 1:00 p.m. on November 3, 2020, independent PJM Board members Ake Almgren, Dean Oskvig, and Sarah Rogers, as well as President & CEO Manu Asthana met with executive leadership from the Transmission Owner Sector, as well as other representatives. See Attachment A (the "Participants").

At the outset of the meeting, PJM's Vice President and General Counsel reminded attendees of the following principles:

1. The meeting is conducted in accordance with PJM Antitrust Policy and Codes of Conduct, including specifically the Addendum to the Board Code of Conduct;
2. The purpose of the meeting is for the Board representatives to listen to comments from the sector;
3. Discussions will be confined to the agenda and remain at a strategic and educational level, and shall not address matters pending before the Board; and
4. The meeting is ex parte and PJM will disclose briefly, by public posting on its website, the agenda and topics discussed promptly following the meeting.

Meeting Agenda Topics and Summary of Discussion:

1. Transmission Issues – The Participants articulated concerns regarding PJM's implementation of Order No. 1000 and the lack of incremental benefits from many competitive solicitations that do not produce any viable alternative. The Participants expressed concerns regarding PJM's role in the evaluation and enforcement of competitive cost caps that is improperly shifting PJM's focus from the safe, secure and reliable operation of the transmission system to that of a cost/rate regulator. The Participants stated that the Transmission Owners have the obligation to serve and the liability risk associated with asset management activities. The Participants further stated that the Commission orders in this regard are clear, and requested that PJM continue to respect these established roles and responsibilities.
2. Governance and Independence – The Participants articulated concerns regarding the effectiveness of the stakeholder process and concerns that PJM is not being empowered to exercise its independent expertise. The Participants requested that PJM work to come up with a proposed plan to improve governance and ensure PJM's independence is not being compromised by stakeholders requiring PJM to do things that PJM does not support. The Participants expressed concerns that affiliates that have separate corporate identities, separate and distinct lines of business, significant investment, and that qualify to vote in various sectors, are not able to cast meaningful votes at the higher level committees.

3. Market Design Leadership – The Participants expressed varying views on energy market reforms, resource adequacy, and carbon pricing. With respect to energy market reforms, the Participants articulated concerns that even with recently accepted changes, the energy market still will not be appropriately compensating units that support the reliable operation of the transmission system by staying on during low load periods, providing ramping capability, and inertia. The Participants encouraged PJM to focus on such issues, especially as intermittent resources increase, and to provide leadership on such issues. The Board indicated that it is undergoing a strategic review to refresh its priorities.
4. Monitoring Analytics – The Participants expressed concerns regarding the no-bid six year renewal of the Monitoring Analytics contract. The Participants further commented on the double digit budget increases and concerns regarding scope creep. The Participants noted that the IMM is spending a disproportionate amount of time on market design issues, including protesting changes that received a high level of stakeholder support. The Participants also expressed concerns regarding IMM participation in state proceedings and planning activities utilizing resources and funds that are for FERC-jurisdictional market monitoring activities. The Participants reiterated their support for an independent and effective market monitor, but encouraged the PJM Board to exercise appropriate oversight to ensure that Monitoring Analytics is performing its contractual obligations.

The meeting concluded 1 1/2 hours after its start.

Sincerely,

/s/ Christopher C. O'Hara

Christopher C. O'Hara
VP, General Counsel

Attachment A

Organization	Executive Speaker	
AEP	Mark McCullough, EVP Transmission	Julie Sherwood, SVP Commercial Operations
Dayton		Mike Russ, Manager, Transmission Planning John Horstmann, Director, RTO Affairs
Dominion	Ed Baine, President of Dominion Energy Virginia	Kevin Curtis, VP of Electric Transmission
Duke	Doug Esamann, EVP Energy Solutions, President Midwest/Florida Regions, President Natural Gas Business	William L Jett, Director, Wholesale Markets and Transmission Policy
Duquesne	Steven Malnight, President and CEO	Katherine Davis, VP External Affairs
EKPC	Don Mosier, Chief Operating Officer	Denise Foster, Vice President of Federal and RTO Regulatory Affairs
Exelon	Chris Crane, President & CEO	Kathleen Barrón, Senior Vice President Government and Regulatory Affairs and Public Policy
First Energy	Sam Belcher, Sr. VP & President FirstEnergy Utilities	Robert R. Mattiuz, VP, Compliance and Regulated Services
PPL	Dave Bonenberger, VP Transmission & Substations	
PSEG	Ralph Izzo, Chairman, President & CEO	Jodi Moskowitz, Deputy General Counsel and RTO Strategy Officer
Rockland		Michele Hanebuth, GM of Control Center and Substation Operations Lubaba Islam, Project Specialist