



PJM Interconnection, LLC  
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Christopher C. O'Hara  
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December 19, 2022

Re: Other Suppliers Sector Meeting

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 12:30 p.m. on December 7, 2022, independent PJM Board members Paula Conboy (remote), Jeanine Johnson, Mark Takahashi, and President & CEO Manu Asthana met with executive leadership and other representatives from the Other Suppliers Sector, with some participants participating by video conferencing. See Attachment A (the "Participants").

At the outset of the meeting, the undersigned, PJM's General Counsel, reminded attendees of the following principles governing the meeting:

1. The meeting is conducted in accordance with PJM's 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. Risk Management – The Participants greatly appreciate PJM's implemented improvements in risk management but expressed concerns regarding increasing credit risks driven by increasing volatility in the markets. The Participants discussed needing to focus on market design in order to ensure adequate price signals in advance of the presentation of crises and adequate tools to respond to price volatility. The Participants requested that PJM conduct a review of the energy market failures in Europe and any lessons that can be applied in PJM. The Participants further requested that PJM continue to focus on risk management and dedicate sufficient resources to the risk issues, again emphasizing that the risks extend beyond participant credit risk. The Participants expressed concerns regarding the timeliness of the processing of membership applications and market-participant qualifications.
2. Energy Transition and PJM Capacity, Energy and Ancillary Service Markets – The Participants discussed the need for market improvements to ensure that PJM continues to provide for reliability at least cost. The Participants expressed concerns regarding the projected pace of retirements, the lack of transparency regarding planned retirements and the slow pace of new entry. The Participants further expressed concerns that forthcoming electrification of load may not adequately be reflected in the load forecasts. The Participants encouraged PJM to evaluate market reforms, including consideration of additional

levels/products of demand response, to address these challenges. The Participants expressed concerns that the markets are not currently sending the correct price signals for these forthcoming challenges. The Participants also expressed concerns regarding FERC's understanding of the RTO markets and planning processes, as reflected in some of the recent orders and rulemakings, and requested that PJM engage in more proactive conversations with FERC staff. The Participants expressed concerns regarding the role of other regulatory authorities and jurisdictional differences in the energy transition. The Participants also discussed the role of the Independent Market Monitor in the energy transition and encouraged consideration of additional mechanisms to evaluate performance.

3. Demand Response and Distributed Energy Resources – The Participants discussed the important role that demand-side participation plays in reliability at least cost. The Participants further discussed that there should be additional layers of demand response that should be considered in any circuit breaker discussion and that the value of lost load must be considered. The Participants recognized PJM's collaborative efforts on distributed energy resources and Order No. 2222 compliance efforts and encouraged PJM to prepare for its prompt implementation.

The meeting concluded approximately 1.5 hours after its start.

Sincerely,

/s/ Christopher C. O'Hara

Christopher C. O'Hara  
SVP, General Counsel

**Attachment A**

Organization	Attendee
TPC Energy Fund	Noha Sidhom, CEO, remote
Enel North America	Enrico Viale, CEO, in person
	Brian Kauffman, Dir., Regulatory Affairs, in person
	Manuel Esquivel, Manager, Regulatory Affairs, remote
New York Power Authority	George Kogut, Sr. Energy Market Advisor, remote
Shell Energy	Sean Chang, Dir., Regulatory Affairs, in person
	Frank Bella, VP, Wholesale Origination East, in person
	Christopher Riley, VP, Retail Origination East, remote
H-P Energy Resources	Steve Huntoon, Counsel, remote
Saracen	Allison Duensing, General Counsel, remote
Geenex Solar	Ken Foladare, Consultant, remote
Tangent Energy Solutions	Brad Swalwell, Dir., Analytics & Markets, remote