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Re: February 16, 2016 PJM Liaison Committee Meeting Agenda

Dear PJM Board of Managers:

The participants in the next Liaison Committee appreciate the Board's comments on our list of potential topics to be considered at our February 16, 2016 meeting. Based on your input and further member consideration, we offer the following agenda for our meeting:

- 1. Opening Remarks and Introductions (10 minutes)**
- 2. When External Events Affect PJM Markets: What Is PJM's Role? (35 minutes)**

From time to time, federal agencies (other than FERC) and states have taken, or considered taking, actions that have a direct impact on PJM's markets and operations. Given recent increased activity in this regard, the Members would like to engage in a strategic discussion with the Board of Managers regarding the appropriate role for PJM when external action is expected (or perceived) to impact PJM markets, reliability, and/or operations. This is not intended to be a discussion of the merits of any pending proceeding or initiative. The conversation may use examples, however, of PJM's previous interactions in external matters. The discussion may also include potential interactions of state implementation plans under the Clean Power Plan.

- 3. Integrating Technology Innovations into PJM Markets, Operations and Planning (30 minutes)**

In this high-level discussion, PJM Members seek to share their perspectives on various areas in which technology innovations may enhance PJM markets and reliability, including, but not limited to, gas-electric coordination and Order 809 compliance, as well as with respect to distributed energy resources. The discussion will cover not only technology that PJM may employ in the course of its duties but also the technologies that continue to evolve for the electric energy industry in a broader sense. In addition, this conversation will include the role of infrastructure in gas-electric coordination.

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4. Interregional Coordination Between PJM and MISO (20 minutes)

As part of this discussion, PJM Members would like to discuss PJM and MISO interregional planning coordination efforts and the impacts on transmission projects being built on the seam between MISO and PJM (*i.e.*, cross-border projects), interface pricing and coordinated transactions scheduling. As part of this discussion, Members also seek to share their perspectives in regard to the transparency of the rules to be applied for generation that is pseudo-tied from one region to the other, and specifically the recent influx of generation resources wishing to pseudo-tie into PJM from MISO in order to participate in the PJM forward capacity market.

5. Next Steps in Order 1000 Implementation (20 minutes)

PJM is about to head into the next phase of its "lessons learned" stakeholder process as part of Order 1000 implementation and address substantive and process improvements to PJM's future transmission open windows. PJM is currently deciding which improvements are its top priority. Subjects on the table include making decisional criteria more transparent and developing rules around how "cost caps" contained in proposals will be evaluated. This is an important effort that will shape the rules for competitive transmission bidding in PJM in the future, and discussion of this effort is timely given that this next phase is about to commence. This discussion is also intended to encompass customer and other market impacts of current transmission infrastructure investments in the post-Order 1000 world and the extent to which reforms in the Order No. 1000 processes might help to address any such impacts.

6. Closing Remarks (5 minutes)

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On behalf of the Liaison Committee, we appreciate your active engagement in developing this agenda. We look forward to a productive discussion in Washington, D.C., on February 16.

Very truly yours,


Susan E. Bruce
Chair, PJM Liaison Committee

c: David A. Anders, PJM Interconnection, L.L.C.
Members of PJM Liaison Committee