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July 21, 2016

Re: August 3, 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 proposed agenda for the Liaison Committee's August 3, 2016 meeting. Based on your feedback and PJM Members' further discussion, we offer the following agenda for our meeting:

- 1. Opening Remarks and Introductions (10 minutes)**
- 2. Discussion of PJM Transmission Replacement Process Senior Task Force and Related Issues (25 minutes)**

This agenda topic involves a high-level discussion on PJM's Transmission Replacement Process Senior Task Force, the purpose of which is to examine the process by which Transmission Owners replace facilities that are at the end of their life and determine whether enhancements to the process can be made, including potential improvements in the area of stakeholder transparency and project consistency as well as how the rights and obligations of Transmission Owners to replace their facilities will be balanced with stakeholder concerns regarding transparency, consistency and cost effectiveness. This discussion may also touch on how Supplemental Projects fit within the broader context of the PJM Regional Transmission Expansion Process.

3. Revisiting Manual 15 and Fuel Cost Policies (25 minutes)

In the wake of the Commission's Order on Hourly Offer Flexibility and ongoing stakeholder discussions around Manual 15 and the fuel cost policy approval process, this agenda topic will entail a focused discussion on member perspectives and concerns around Manual 15, including but not limited to fuel cost policies.¹

¹ PJM Members appreciate and respect the PJM Board's guidance about inclusion of this topic in our August 3 meeting agenda; however, widespread support among the Liaison Committee members exists to address the topic at the August 3 meeting.

4. PJM Whitepaper on Resource Investment in Competitive Markets (55 minutes)

The major topic for the meeting will be a strategic dialogue with the PJM Board on PJM's Whitepaper on Resource Investment in Competitive Markets. Liaison Committee members seek to engage in a robust discussion that would include, as the Board suggests, a "complete context, including capacity and energy markets, public policy, and the roles of PJM and regulators at both state and federal levels." While the Liaison Committee had initially proposed to structure this discussion through subtopics, upon further reflection, we believe that a more robust discussion can be fostered if the conversation is not constrained through subtopics.

5. 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 on August 3 in Chicago.

Very truly yours,



Susan E. Bruce
Chair, PJM Liaison Committee

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