



Dr. Ake Almgren
Chair, PJM Board of Managers
PJM Interconnection, LLC
2750 Monroe Boulevard
Audubon, Pennsylvania 19403

July 19, 2019

Re: July 29, 2019 Liaison Committee Meeting Final Agenda

Dear Dr. Almgren:

The members of the Liaison Committee ("LC") and I appreciate the Board of Managers' ("Board") offering support for the three proposed agenda topics. The LC members support the Board's view on each of the proposed topics which from your response letter included these comments:

1. **Transmission:** *A dialogue regarding the roles, responsibilities and obligations of PJM, transmission owners and all stakeholders in the supplemental project process will be beneficial;*
2. **PJM 2020 and Beyond:** *The Board recognizes the need to understand member views and to be as close to issues members are facing as possible in order to ensure that PJM is prepared for future challenges and continues to provide value to the members and all stakeholders – including the ultimate customers.*
3. **Financial Risk Mitigation Discussion:** *We share the view that addressing risk in the FTR market is of highest priority.*

The PJM stakeholders and Members are, for the first time in the history of PJM, finding ourselves attempting to work with PJM staff, their executive team, and the Board of Managers while in the midst of a significant amount of uncertainty because of the recent departures of PJM's President and CEO and earlier PJM's Chief Financial Officer. The Members would greatly appreciate an update on the status of the search to fill those positions as well as what the Board's opinions are with regards to the future direction of PJM.

The agenda for the meeting is below and we look forward to our discussions on these topics with you and the PJM Board.

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AGENDA

1. Opening Remarks (10 minutes)

2. Transmission (50 minutes)

On January 28, 2019, PJM posted a briefing paper, “The Value of Transmission” which was subsequently followed up by a more comprehensive whitepaper, “The Benefits of the PJM Transmission System”, dated April 16, 2019. In the whitepaper, PJM quantifies the benefits and drivers of new transmission. Specially, ensuring reliability, keeping the lights on, and supporting public policy. The members would like to discuss the findings of these reports with the Board.

As noted by the PJM Board in the preparation for the April LC meeting, supplemental projects have been the subject of significant discussion among Members and other stakeholders. Per the Board’s suggestion, we’d like to include in this topic a discussion on supplemental projects, including but not limited to PJM’s role in the supplemental project process and implementation of the Attachment M-3 process.

3. PJM 2020 and Beyond (30 minutes)

In light of the organizational changes announced by PJM on May 28th the Members would like to understand the Board’s plans for managing the executive leadership transition period and to have a dialogue with the Board about their perspectives on the future vision for PJM. We believe it is appropriate to discuss plans for the future including the direction of PJM policy, in 2020 and beyond, and what the Board and Members believe may be necessary to achieve those goals. Comments could build on prior meetings of the Liaison Committee, General Session, and/or offer new perspectives.

4. Financial Risk Mitigation Discussion (25 minutes)

The Financial Risk Mitigation Senior Task Force has engaged in a broad undertaking– assessing all of the recommendations made in the “Independent Investigation Report on the GreenHat Default.” The Task Force is working through four important matters: credit/risk reforms, FTR market design, membership qualifications, and stakeholder process issues. Members would like to discuss their perspectives on PJM’s role in these markets going forward, including prioritization of the various Task Force work streams.

5. Closing Remarks (5 minutes)

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The LC members and I greatly appreciate the Board’s consideration of these important issues and look forward to an engaging discussion during our July 29, 2019 meeting at the Hotel Monaco in Baltimore, Maryland.

With regards,



Steven Lieberman
American Municipal Power
Liaison Committee Chair

CC: Mrs. Susan Riley, PJM Interconnection, LLC
Mr. Dave Anders, PJM Interconnection, LLC