



**Markets and Reliability Committee Report**  
**PJM Interconnection**  
**Members Committee Webinar**  
**August 19, 2014**

The Markets and Reliability Committee (MRC) met on June 26 and July 31, 2014. The following topics were discussed at the meeting:

**June 26, 2014 Meeting**  
**Topics for Endorsement**

A) PJM Manuals

1. Ms. Huang reviewed revisions to Manual 01: Control Center and Data Exchange Requirements and Manual 14D: Generator Operational Requirements regarding PMU and new Generation Interconnection.
2. Mr. Kovler reviewed revisions to Manual 01: Control Center and Data Exchange Requirements and Manual 14D: Generator Operational Requirements regarding PJMnet.

Following discussion, the proposed revisions in items 2.A and 2.B were endorsed by acclamation with no objections or abstentions.

B) Designated Entity and Interconnection Coordination Agreements

Mr. Barrett presented the proposed Designated Entity Agreement (DEA) and Interconnection Coordination Agreement (ICA) developed by the Regional Planning Process Senior Task Force (RPPTF) and relating to FERC Order No. 1000 window proposal process. Following discussion, the proposed agreements were endorsed by acclamation with three objections and no abstentions.

C) MOPR Unit Specific Review

Dr. Sotkiewicz presented a proposal related to the MOPR Unit Specific Review developed by the Capacity Senior Task Force labeled as Package A. Following discussion, the Package A failed in a sector-weighted vote with 2.22 in favor. Mr. Carretta, PSEG, presented the alternate proposal, Package D (which had received greater than 50% support at the Capacity Senior Task Force). Following discussion, the Package D failed in a sector-weighted vote with 2.07 in favor. Mr. Griffiths moved and Mr. Jablonski seconded Package B. Following discussion, the Package B failed in a sector-weighted vote with 1.75 in favor.

D) RPM Supply Curve Transparency

Mr. Zadlo presented proposed Operating Agreement and Tariff revisions related to RPM supply curve transparency. Following discussion, the proposed OA and Tariff revisions failed in a sector-weighted vote with 2.02 in favor.

E) Forward Price Projection Performance

Ms. Carroll provided an update on PJM's efforts around the transparency and accuracy of IT SCED forward price projections. Following discussion, the committee endorsed proceeding with implementation of Coordinated Transaction Schedules with the New York ISO by acclamation with four objections and 14 abstentions.

F) TO Data Feed

Ms. Huang discussed the activities of the Operating Committee related to the TO Data Feed issue and



presented a proposed revision to the related issue charge. Following discussion, the proposed charter revisions were approved by acclamation with no objections or abstentions.

- G) Cost Development Subcommittee (CDS) Sunset  
Mr. Schmitt discussed activities of the CDS, and potentially sunsetting the subcommittee. Following discussion, the sense of the committee was not to pursue sunsetting the CDS.
- H) FTR/ARR Senior Task Force (FTRSTF)  
Mr. Anders presented the proposed FTRSTF charter. Following discussion, the proposed charter was failed in a sector-weighted vote with 2.47 in favor. Mr. Griffiths moved and Ms. Bruce seconded the proposed charter with item 2.B ("Enhancing the mechanism by which balancing congestion is allocated) removed, and that a similar change be made to the issue charge. This motion was approved in a sector-weighted vote with 3.77 in favor.

### **FIRST READINGS**

- I) Cap Review Senior Task Force (CRSTF)  
Ms. Fabiano presented the proposed CRSTF charter. Following discussion, the proposed charter was approved by acclamation with no objections or abstentions.
- J) Generator Performance  
Mr. Bresler presented a problem statement and issue charge related to generation capacity resource performance. The committee will be asked to approve the problem statement and issue charge at its next meeting.
- K) System Restoration Strategy Senior Task Force (SRSTF) Recommendations  
Ms. Hendrzak presented the proposed Black Start compensation changes and reliability backstop developed by the SRSTF. The committee will be asked to endorse the proposal at its next meeting.
- L) RPM Sensitivity Analysis  
Mr. Bresler discussed plans for annual RPM sensitivity analysis. He noted that PJM would produce simulations based upon scenarios used in prior years. PJM will post the list of scenarios, and stakeholders may request additional simulation scenarios.
- M) Bethlehem/Steel City Special Protection Scheme (SPS)  
Mr. Bryson discussed cancellation of the Bethlehem/Steel City SPS.
- N) PJM/MISO Joint Operating Agreement (JOA)  
Mr. Bresler discussed a pending revision to the PJM/MISO JOA related to recovery of costs incurred for the delivery of emergency energy due to the transmission tariff of a third party transmission service provider.
- O) PJM Manuals
  - A. Mr. D'Antonio presented proposed revisions to Manual 37: Reliability Coordination. The committee will be asked to endorse these revisions at its next meeting.
  - B. Mr. Berner presented proposed revisions to Manual 14A: regarding changes to how the interim deliverability studies are conducted. The committee will be asked to endorse these revisions at its next meeting.
  - C. Mr. Sims presented proposed revisions to Manual 14B: regarding changes to cost allocation to match the current



solution based methodology. The committee will be asked to endorse these revisions at its next meeting.

**July 31, 2014 Meeting**  
**Topics for Endorsement**

A) **PJM Manuals**

1. The committee will be asked to endorse these revisions at its next meeting.
2. Mr. Bryson presented proposed revisions to Manual 37: Reliability Coordination.
3. This item was deferred to allow coordination with Midcontinent Independent System Operator.
4. Mr. Sims presented proposed revisions to Manual 14B: PJM Region Transmission Planning Process to match the current solution based methodology.

Following discussion, the proposed revisions in items 2.A and 2.C were endorsed by acclamation with no objections and one abstention on item 2.C.

B) **System Restoration Strategy Senior Task Force (SRSTF) Recommendations**

Ms. Hendrzak presented the proposed Black Start compensation changes and reliability backstop developed by the SRSTF. Following discussion, the proposed Tariff and Manual 27 revisions related to Black Start compensation were endorsed by acclamation with two objections and two abstentions, and proposed Tariff and Manuals 14D and 36 revisions related to the reliability backstop were endorsed by acclamation with no objections and two abstentions. As work on these issues has been completed the committee approved sunseting the SRSTF with no objections or abstentions.

**First Readings**

C) **Performance Assurance**

Mr. Boston discussed direction from the PJM Board of Managers related to capacity resource performance assurance, and the direction provided by the Board to implement the Enhanced Liaison Committee for resolution of the issue. Mr. Ott discussed the elements of the problem definition and other related cold weather and planning issues. Mr. Anders discussed the Enhanced Liaison Committee process and the schedule for its implementation.

D) **RPM Triennial Review**

Ms. Ford discussed the Tariff required triennial review of the Cost of New Entry, Energy and Ancillary Services Offset and VRR Curve. The committee may be asked to endorse proposed Tariff revisions at its next meeting.

E) **Regional Planning Process Senior Task Force (RPPTF)**

Mr. Barrett presented proposed Operating Agreement revisions related to the definition of the term "Supplemental Project." The committee will be asked to endorse the proposed revisions at its next meeting.

F) **Auction Specific Transactions in RPM**

Mr. Trayers, Citigroup Energy Inc., reviewed the proposed solution regarding changes the submission date of the newly approved problem statement and issue charge Auction Specific Transactions in RPM. Mr. Trayers requested that the first read requirement be waived and that the committee vote on the proposal at this meeting. There were no objections to this request, and following discussion the



proposed Manual 18 revisions were endorsed with no objections and five abstentions.

G) Power Meter and In-Schedule Data Submittal Deadlines

Mr. Hsia presented the results of the Market Settlements Subcommittee work regarding Power Meter and InSchedule data submittal deadlines. The committee will be asked to endorse the proposal at its next meeting.

H) Capacity Contribution Reconciliation

Ms. Kenney presented proposed Manual and Reliability Assurance Agreement changes from the Market Settlements Subcommittee that would allow Electric Distribution Companies to submit corrections to Peak Load Contribution and Network Service Peak Load assignments up to 12 noon on the next business day. The committee will be asked to endorse the revisions in at its next meeting.

I) RPM: Capacity Import Limits – CTRs and ICTRs

Mr. Patrylo presented a proposed problem statement and issue charge related to RPM: Capacity Import Limits – CTRs and ICTRs. The committee will be asked to approve the proposed problem statement and issue charge at its next meeting.

J) Energy / Reserve Pricing & Interchange Volatility update

Ms. Morelli provided an update on the work of the energy and reserve pricing & interchange volatility special sessions of the MIC. A first read of proposed solutions will be provided at a future meeting.

K) ComEd SPS Removals

Mr. Chamberlain, Mr. Eakins, and Mr. Summers (COMED) presented three ComEd SPS removals.

L) PJM Manuals

1. Mr. Hsia reviewed changes to Manual 12: Balancing Operations. The committee will be asked to endorse these revisions at its next meeting.
2. Mr. Sims discussed proposed revisions to Manual 14B: PJM Region Transmission Planning Process to include language that describes CETL easily resolved constraints. The committee will be asked to endorse these revisions at its next meeting.
3. Mr. Langbein presented proposed conforming revisions to Manual 11: Energy & Ancillary Services Market Operations. The committee will be asked to endorse these revisions at its next meeting.

Informational Items

M) 2014 Cold Weather Recommendations Update

Ms. Hendrzak provided an update on the 2014 Cold Weather Recommendations.

N) PJM – Progress Energy Carolinas Joint Operating Agreement (JOA)

Mr. Hoffman discussed pending revisions to the PJM – Progress Energy Carolinas JOA.

O) Interregional Coordination Update

Mr. Williams gave an update on interregional coordination efforts primarily with the Midcontinent ISO, and the New York ISO.

P) Export Transactions Credit Screening

Ms. Daugherty discussed a minor clarification to previously endorsed Tariff revisions related to Export Transactions Credit Screening.



- Q) Small Generator Interconnection Procedures (SGIP)  
Mr. Eckenrod discussed proposed Tariff revisions prepared in compliance with FERC order 792.
- R) PJM Updates
1. Dr. Sotkiewicz reviewed the report on market operations.
  2. Mr. Bryson reviewed the report on system operations.
  3. Mr. Duane reviewed the report on recent regulatory activities.
- S) Stakeholder Group Reports  
The following reports were posted with the meeting materials. These items were not presented separately, but time was allotted for questions on the individual reports.
1. Market Implementation (MIC) – Ms. Ford
  2. Operating Committee (OC) – Mr. Bryson
  3. Planning Committee (PC) – Mr. McGlynn
  4. Cost Development Subcommittee (CDS) – Mr. Schmitt
  5. Regional Planning Process Task Force (RPPTF) – Mr. Barrett
  6. System Restoration Strategy Task Force (SRSTF) – Ms. Hendrzak
  7. Capacity Senior Task Force (CSTF) – Mr. Ford
  8. Energy Market Up-lift Senior Task Force (EMUSTF) – Mr. Anders
  9. Cap Review Senior Task Force (CRSTF) – Ms. Ford
  10. FTR/ARR Senior Task Force (FTRSTF) – Mr. Anders
  11. Gas Electric Senior Task Force (GESTF) – Mr. McNamara

The next MRC meeting is scheduled for August 21, 2014 at the Conference and Training Center in Valley Forge, PA.

Prepared By: Dave Anders