

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
May 28, 2015
9:00 a.m. – 12:45 p.m. EPT

Administration (9:00-9:05)

Mr. Kormos welcomed stakeholders to the meeting and Mr. Anders provided the Anti-trust and Code of Conduct announcements.

Mr. Mike Bryson provided a brief description of an operational event in the AEP zone which occurred in the afternoon of May 27, 2015. He noted that approximately 25 MW of load had been shed in the zone for less than three hours due to a transmission emergency outage.

Ms. Daugherty provided an update on the previously announced CT Lost Opportunity Cost billing adjustment. She noted that the total billing adjustment was expected to be in the range of \$7-\$15 million. The final value was expected to be finalized during early June 2015, and individual generators will be contacted during the month of June 2015 with the details of the proposed billing adjustments applicable to their units.

Endorsements/Approvals (9:05-10:30)

1. Draft Minutes (9:05-9:10)

Minutes of the April 23, 2015 Markets and Reliability Committee (MRC) meeting were **approved** by acclamation with no objections or abstentions.

2. PJM Manuals (9:10-9:30)

A. Mr. Glen Boyle reviewed changes to Manual 36: System Restoration. The proposed revisions resulted from the required annual review of the manual.

B. Ms. Nancy Huang reviewed changes to Manual 03: Transmission Operations. The proposed revisions resulted from the required annual review of the manual.

C. Ms. Nancy Huang reviewed changes to Manual 38: Operations Planning.

Following discussion, the proposed revisions in items 2.A t 2.C were **endorsed** by acclamation with no objections or abstentions. For item 2.B, action on section 2.1.1 was deferred to a later meeting of the MRC, and the MRC **endorsed** the remainder of the Manual 03 revisions by acclamation with no objections or abstentions.

3. Timing of Day Ahead Market (9:30-9:45)

Ms. Adrien Ford presented a proposed problem statement and issue charge related to the timing of Day Ahead market in response to the recent FERC order in Docket Nos. EL14-24-000 and RM14-2-000. Following discussion, the proposed problem statement and issue charge were **approved** by acclamation with no objections and one abstention.

4. Interim Fee for Virtual Transactions (INCs/DECs and UTCs) (9:45-10:30)

Ms. Noha Sidhom, Inertia Power, presented a motion to impose an interim fixed fee for INCs/DECs and UTCs. She also presented an alternative motion that would impose the proposed fee on UTC transactions only. The proposed fees would expire in six months. Following discussion the main motion **failed** in a sector-weighted vote with 1.32 in favor. The alternate motion also **failed** in a sector-weighted vote with 1.56 in favor.

First Readings (10:30-12:45)

5. FERC Order 1000 Proposal Fee Update (10:30-10:40)

Mr. Paul McGlynn provided a brief update on the planned filing related to proposal fees, noting that actual experience with evaluation of proposals indicated that the endorsed proposal fee may require adjustment. He indicated that PJM would delay filing the previously endorsed proposal fee and that the MRC will be asked to act on a proposed revision to the proposal fees at a future meeting.

6. FTR/ARR Senior Task Force (FTRSTF) (10:40-11:00)

Mr. Dave Anders and Mr. Stu Bresler discussed the work of the FTRSTF, and potential paths forward. Mr. Anders discussed the charter and actions of the FTRSTF, including development of approximately 28 proposed solution packages, on which consensus was not reached. He noted that the FTRSTF recommended that the MRC terminate the task force. Mr. Bresler discussed the balance between the FTR funding levels and the reduction in allocation of ARR in the current planning year. He also noted the related open docket before the FERC, and the Independent Market Monitor's discussion of the potential for additional FERC filings. Mr. Steve Lieberman, ODEC, requested that an agenda item be added to the June 25, 2015 MRC agenda for consideration of a potential propped motion similar to Package 22.

7. Timing of Day Ahead Market (11:00-12:30)

Mr. Mike Kormos led continued discussion of the proposed timeline for clearing in the PJM Day-ahead market. Ms. Adrien Ford discussed the requirements of the FERC orders, and provided an educational presentation on the current gas and electric market timing as well as changes to the future gas market timing. She also presented data regarding historical Day-Ahead market clearing times, and the results of a poll conducted to gather information regarding participants' preferences and needs related to timing of gas purchase and nomination and bidding into the electricity markets. Mr. Joe Wadsworth, Vitol, presented data regarding timing of natural gas trading and discussed the challenges participants face with making bids in more than one RTO as well as experience with modified electric market timing in ISO-NE. Mr. Kormos this issue will continue to be vetted at an additional special session of the MRC on June 10, 2015 and at the June 25, 2015 regular MRC meeting. FERC Filing is required on July 23, 2015.

8. PJM Manuals (12:30-12:45)

A. Ms. Adrien Ford discussed proposed updates to Manual 19: Load Forecasting and Analysis. The Committee will be asked to endorse these proposed revisions at its next meeting.

- B. Mr. Ron Deloach discussed proposed revisions to Manual 3A: Energy Management System (EMS) Model Updates and Quality Assurance (QA). The Committee will be asked to endorse these proposed revisions at its next meeting.

Future Agenda Items (12:45)

No new future agenda items were identified.

Future Meeting Dates

June 25, 2015	9:00 a.m.	Wilmington, DE
July 23, 2015	9:00 a.m.	Wilmington, DE
August 27, 2015	9:00 a.m.	Wilmington, DE
September 24, 2015	9:00 a.m.	Wilmington, DE
October 22, 2015	9:00 a.m.	Wilmington, DE
November 19, 2015	9:00 a.m.	Wilmington, DE
December 17, 2015	9:00 a.m.	Wilmington, DE

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