

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
October 26, 2017
9:00 a.m. – 2:10 p.m. EPT

Administration

Ms. Suzanne Daugherty and Mr. Dave Anders welcomed the participants, and provided the antitrust and code of conduct announcements.

Endorsements/Approvals

1. Draft Minutes

Minutes of the September 28, 2017 meeting of the Markets and Reliability Committee (MRC) were **approved** by acclamation with no objections or abstentions.

2. PJM Manuals

- A. Ms. Lisa Morelli presented proposed Manual 11: Energy & Ancillary Services and proposed revisions to the Operating Agreement (OA) and Tariff associated with capping of intraday offers.
- B. Mr. Rami Dirani presented proposed revisions to Manual 11: Energy & Ancillary Services associated with the offer verification process and offer capping logic for the implementation of Order 831: Energy Offer Verification. Dr. Catherine Tyler, Monitoring Analytics, and Mr. Dirani discussed ongoing dialogue between PJM and the Independent Market Monitor regarding some specific details of the proposed Manual 11 revisions.
- C. Mr. Mike Herman presented proposed revisions to Manual 14B: Regional Transmission Planning Process to add information related to the contingency definitions.
- D. Mr. John Reynolds presented proposed revisions to Manual 19: Load Forecasting and Analysis to clarify when load drop estimates are produced and the required periodic review of the Manual.

Following discussion, items 2.A, and 2.C and 2.D were **endorsed** by acclamation with no objections and one abstention. Item 2.B was **endorsed** by acclamation with 13 objections and two abstentions. There were no objections to moving approval/endorsement of OA and Tariff revisions associated with capping of intraday offers from the standard agenda to the consent agenda for the October 26, 2017 Members Committee (MC) meeting.

3. Balancing Ratio

Mr. Adam Keech discussed Tariff revisions for calculation of the Balancing Ratio used in determination of the Market Seller Offer Cap for use in the 2018 Base Residual Auction. He also presented a proposed Problem Statement and Issue Charge concerning the same for subsequent auctions. Following discussion the committee **endorsed** the proposed Tariff revisions by acclamation with no objections and 10 abstentions, and **approved** the Problem Statement and Issue Charge by acclamation with no objections and one abstention. There were no objections to moving endorsement

of the Tariff revisions from the standard agenda to the consent agenda for the October 26, 2017 MC meeting.

4. Distributed Energy Resources Update

Ms. Suzanne Daugherty noted that the proposed charter revision to convert the effort to a subcommittee will be considered at a future MRC meeting following Market implementation Committee voting on the proposed charter revision.

5. 2017 Installed Reserve Margin Study Results

Mr. Tom Falin reviewed the 2017 Installed Reserve Margin (IRM) study results. Following discussion the committee **endorsed** the study results by acclamation with no objections and no abstentions. There were no objections to moving approval of the study results from the standard agenda to the consent agenda for the October 26, 2017 MC meeting.

6. Restoration Planning Generator Data

Mr. David Schweizer presented proposed OA revisions associated with PJM sharing of restoration planning generator data with Transmission Owners. Following discussion the committee **endorsed** the proposed OA revisions by acclamation with no objections and no abstentions.

First Readings

7. 2018 Day Ahead Scheduling Reserve (DASR) Requirement

Mr. Eric Endress presented proposed revisions to the 2018 DASR requirement. The committee will be asked to endorse the proposed revisions at its next meeting.

8. Credit Requirements for Regulation

Mr. Hal Loomis presented proposed Tariff revisions related to a proposed change in credit requirements for regulation resources. The committee will be asked to endorse the Tariff revisions at its next meeting.

9. FTR Credit Requirements for Transmission Upgrades

Mr. Hal Loomis presented proposed revisions to FTR credit requirements to reduce exposure posed by congestion reductions resulting from major transmission upgrades. The committee will be asked to endorse the proposal at its next meeting. Ms. Daugherty noted that endorsement votes will be taken at both the MRC and MC at their December 7, 2017 meetings.

10. Price Responsive Demand

Mr. Pete Langbein presented three proposals developed by the Demand Response Subcommittee to address Price Responsive Demand. The committee will be asked to endorse a proposal at its next

meeting. Ms. Daugherty noted that endorsement votes will be taken at both the MRC and MC at their December 7, 2017 meetings.

11. PJM Manuals

- A. Mr. Yuri Smolanitsky presented proposed revisions to Manual 03: Transmission Operations. The committee will be asked to endorse the manual revisions at its next meeting.
- B. Mr. David Schweizer presented proposed revisions to Manual 10: Pre-Scheduling Operations. The committee will be asked to endorse the manual revisions at its next meeting.
- C. Mr. Chris Pilon presented proposed revisions to Manual 13: Emergency Operations. The committee will be asked to endorse the manual revisions at its next meeting.
- D. Mr. David Schweizer presented proposed revisions to Manual 14D: Generator Operational Requirements. The committee will be asked to endorse the manual revisions at its next meeting.
- E. Ms. Terri Esterly presented a first read of revisions to Manual 18: PJM Capacity Market, and Mr. Ray Fernandez presented a first read of revisions to Manuals 11: Energy & Ancillary Services, 27: Open Access Transmission Tariff Accounting, 28: Operating Agreement Accounting and 29: Billing associated with the implementation of Five-Minute Settlements. The committee will be asked to endorse the manual revisions at its next meeting.

Informational Updates

PJM Technologies

Ms. Daugherty announced that PJM Technologies, Inc., PJM Interconnection's wholly-owned non-FERC regulated subsidiary, has been engaged by the province of Zhejiang, China, to help it develop the wholesale electricity market design and market rules for that province. This work is commencing during October 2017 and is expected to take about 20 months. It will be conducted in collaboration with China Electric Power Research Institute.

12. Capacity Construct / Public Policy Sr. Task Force (CCPPSTF)

Mr. Dave Anders provided an informational update on the activities of the CCPPSTF.

13. Ohio Valley Electric Corporation (OVEC) Integration

Mr. Scott Cunningham, OVEC, discussed integration of the OVEC.

14. Transmission Facilities Access Form Security

Mr. Ron DeLoach discussed added measures to secure the Transmission Facilities spreadsheets on PJM.com.

15. Work Plan Review

Mr. Anders discussed review of work plans for ongoing stakeholder process issues.

16. Winter Season Resource Adequacy and Capacity Requirements (1:10-1:40)

Mr. Tom Falin discussed work of the Resource Adequacy Analysis Subcommittee on the Winter Season Resource Adequacy and Capacity Requirements Problem Statement and Issue Charge.

17. PJM.com Updates (1:40-1:50)

Ms. Tawnya Luna provided an update on the upcoming revisions to the PJM.com website.

Future Agenda Items (1:50)

No new future agenda items were identified.

Future Meeting Dates

December 7, 2017	9:00 a.m.	Philadelphia, PA
December 21, 2017	9:30 a.m.	Wilmington, DE

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