



DRAFT MEETING MINUTES
PJM Interconnection
Tier 1 Compensation MIC Special Session
PJM Conference and Training Center / WebEx
January 5, 2015 (1:00pm – 4:00pm)

In-Person Participants:

Last Name	First Name	Company Name	Sector
Blair	Tom	Monitoring Analytics, LLC	Not Applicable
Bowring	Joe	Monitoring Analytics, LLC	Not Applicable
Buffoni	Jessica	PJM Interconnection, LLC	Not Applicable
Carroll	Rebecca	PJM Interconnection, LLC	Not Applicable
Fernandez	Ray	PJM Interconnection	Not Applicable
Foladare	Kenneth	IMG Midstream LLC	Generation Owner
Fulmer	Mark	Monitoring Analytics, LLC	Not Applicable
Hauske	Tom	PJM Interconnection, LLC	Not Applicable
Hsia	Eric	PJM Interconnection, LLC	Not Applicable
Kamitataru	Hideki	Other	None
Keech	Adam	PJM Interconnection, LLC	Not Applicable
Morelli	Lisa	PJM Interconnection, LLC	Not Applicable
Olaleye	Michael	PJM Interconnection, LLC	Not Applicable
Pratzon	David	GT Power Group	Not Applicable
Velasco	Cheryl Mae	PJM Interconnection, LLC	Not Applicable
Weathers	Brian	PJM Interconnection, LLC	Not Applicable

Teleconference Participants:

Last Name	First Name	Company Name	Sector
Ainspan	Malcolm	Energy Curtailment Specialists, Inc.	Other Supplier
Anders	David	PJM Interconnection, LLC	Not Applicable
Baker	Scott	PJM Interconnection, LLC	Not Applicable
Baran	Eric	Allegheny Electric Cooperative, Inc.	Electric Distributor
Benckek	Jim	FirstEnergy Solutions Corporation	Transmission Owner
Birnel	William	Westar Energy, Inc.	Other Supplier



Bolan	Martin	FirstEnergy Solutions Corporation	Transmission Owner
Bonner (ES)	Charles	Dominion Virginia Power	Not Applicable
Brodbeck	John	Potomac Electric Power Company	Electric Distributor
Bryson	Mike	PJM Interconnection, LLC	Not Applicable
Carmean	Gregory	OPSI	Not Applicable
Citrolo	John	PSEG Energy Resources and Trade LLC	Transmission Owner
Coyle	Billy	Dominion Virginia Power	Not Applicable
Coyne	Suzanne	PJM Interconnection, LLC	Not Applicable
Dessenger	Harry	Customized Energy Solutions, Ltd.*	Not Applicable
DiNicola	Laura	FirstEnergy Solutions Corp.	Transmission Owner
Filomena	Guy	Customized Energy Solutions, Ltd.*	Not Applicable
Gates	Terry	Appalachian Power Company	Transmission Owner
Greening	Michele	PPL EnergyPlus, L.L.C.	Transmission Owner
Griffiths	Dan	Consumer Advocates of PJM States	Not Applicable
Hagaman	Derek	GT Power Group	Transmission Owner
Hoatson	Tom	Riverside Generating, LLC	Other Supplier
Horstmann	John	Dayton Power & Light Company (The)	Transmission Owner
Johnson	Carl	Customized Energy Solutions, Ltd.*	Not Applicable
Kelly	Stephen	Brookfield Energy Marketing LP	Other Supplier
Lacy	Catharine	Dominion Virginia Power	Not Applicable
Greening	Michele	PPL Ironwood, LLC	Transmission Owner
Libbos	Robin	Allegheny Power	Transmission Owner
Mabry	David	McNees Wallace & Nurick LLC	Not Applicable
Manning	James	North Carolina Electric Membership Corporation	Electric Distributor
Marton	David	FirstEnergy Solutions Corporation	Transmission Owner
Ondayko	Brock	Appalachain Power Company	Transmission Owner
Owens	Christina	North Carolina Electric Membership Corporation	Electric Distributor
Phillips	Amanda	Other	None
Rolashevich	Pete	FERC	Not Applicable
Sasser	Jonathan	Customized Energy Solutions, Ltd.*	Not Applicable
Scarpignato	Dave	Direct Energy Business, LLC	Other Supplier
Scoglietti	Barbara	Tangent Energy Solutions, Inc.	Other Supplier
Slade	Louis	Virginia Electric & Power Company	Transmission Owner
Stotesbury	Christina	PJM Interconnection, LLC	Not Applicable



Summers	Theodore	PSEG Energy Resources and Trade LLC	Transmission Owner
Weghorst (pplep)	Bradley	PPL EnergyPlus, L.L.C.	Transmission Owner
Weiss	Glenn	PJM Interconnection, LLC	Not Applicable
Wilhite	Chad	FirstEnergy Solutions Corp.	Transmission Owner
Williams	Stanley	PJM Interconnection, LLC	Not Applicable
Wisersky	Megan	Madison Gas & Electric Co.	Other Supplier
Yu	Joel	Rockland Electric Company	Transmission Owner

1. Administration

Ms. Lisa Morelli welcomed stakeholders to the inaugural meeting of the Tier 1 Compensation special session of the MIC and reviewed the agenda. Ms. Cheryl Mae Velasco called attention to the Anti-trust and Code of Conduct statements and performed roll call.

2. Review of Problem Statement and Issue Charge

Ms. Morelli reviewed the problem statement and issue charge that were presented by Monitoring Analytics and approved at the MIC. The group is tasked to review the tariff rule that directs PJM to pay T1 synchronized reserve when the price of non-synchronized reserve is zero. The group will investigate and provide a recommendation related to Tier 1 compensation and implement tariff or manual changes as required.

3. Education

Mr. Michael Olaley provided an overview of reserves, including the purpose of procuring reserves, how the reserve requirements are calculated, and the locational impacts of reserves. Mr. Olaley also provided a more in depth review of Tier 1 reserves, including how the Tier 1 estimates are calculated for a unit and in total for the system. An overview of the non-synchronized reserves was also provided.

Mr. Ray Fernandez provided education on the Tier 1 compensation from a settlements perspective. The most notable piece of information to take away is that effective July 1, 2014, settlements began using exceptions to Tier 1 resource eligibility as defined by market operations. From that point forward, markets and settlements have been consistent in determining a unit's eligibility for Tier 1 compensation.

Dr. Joe Bowring, Monitoring Analytics, provided information regarding the amount of Tier 1 synchronized reserve credits that MA believes to have been incorrectly paid out. Dr. Bowring provided additional data to support the need to revisit the issue of Tier 1 compensation.

4. Interest Identification

Due to time constraints, the group did not have time to start the interest identification portion of the solution matrix. Instead, Ms. Morelli solicited feedback from the group regarding how they would like to discuss this issue moving forward, whether to continue the discussions in special sessions or at the larger MIC. The group generally supported



to continue the discussions in the special sessions, a recommendation that Ms. Morelli presented at the next MIC meeting.

5. Future Agenda Items

- a. Provide additional education
- b. Interest Identification
- c. Solution Component Development

6. Future Meeting Dates

February 4, 2015	9:00am – 12:00pm	Conference and Training Center / WebEx
March 17, 2015	9:00am – 12:00pm	Conference and Training Center / WebEx

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