



**Market Implementation Committee Report**  
**PJM Interconnection**  
**Markets and Reliability Committee**  
**The Chase Center on the Riverfront**  
**Wilmington, DE**  
**August 17, 2011**

The Market Implementation Committee met on August 9, 2011 at The Chase Center in Wilmington, DE. The following topics were discussed in the meeting:

**Topics for Endorsement**

- A) DR Emergency Event Penalty Billing Timing  
Mr. Langbein reviewed a proposal to change DR emergency event penalty billing timing to be similar to DR emergency test penalty billing timing, where a lump sum will be billed after the summer season and then the residual amount for each month thereafter. The committee unanimously endorsed the proposal with no abstentions.
- B) Market Settlements Subcommittee Charter  
Mr. Dessender reviewed an updated MSS charter, which was revised to reflect the current work of the MSS and align the document with the new GAST charter template. The committee unanimously endorsed the updated charter with no abstentions.

**Other Topics**

- C) Residual Zone Pricing  
Mr. Dessender reviewed the proposed Residual Zone Pricing business rules and associated manual, tariff and Operating Agreement changes. The Committee discussed the need to develop additional business rules defining whether Residual Zone Pricing will be mandatory or optional for all EDCs. The topic will be brought back to the September MIC meeting for further discussion and potential endorsement.
- D) RPM Pricing Point Posting  
Ms. Kenney provided an update on stakeholder feedback received regarding the RPM Pricing Point Definitions maintained by PJM and outlined how the postings will be handled going forward.
- E) PJM Pricing Point Updates for Duke Integration  
Ms. Carroll presented minor changes to the SOUTHIMP and SOUTHEXP interface points for the Duke integration. Feedback on the creation of new hubs for the Duke integration was also solicited. Participants did not express any interest in the creation of additional hubs.
- F) Regional Practice Changes for the Spot-In Issue  
Mr. Gresh reviewed a proposal to increase the amount of Spot-In service available for the NYISO interface through the application of usage factors. Mr. Wolfe reviewed the associated changes to the PJM ATC Implementation Document for the Spot-In issue. The document will be brought back to the September meeting for endorsement.
- G) Parameter Limited Schedules



Dr. Bowring provided an update on solutions being developed by the special sessions of the MIC, which are focused on the issues identified with the application of parameter limited schedules only to cost-based offers. The topic will be brought back to the September meeting for additional discussion.

H) Maximum Notification and Startup Times for Capacity Units

Mr. Tam provided an update on the special sessions of the MIC held to focus on maximum notification and startup times for capacity units. Proposed solutions based on the developed component matrix will be packaged at the next special session, which is scheduled for August 16. Parties interested in the start up and notification time discussions were requested to attend the next session so their input may be captured in the proposals that will be developed.

I) Broader Regional Markets Solutions to Lake Erie Loop Flow

Mr. Williams provided an update on Inter-Regional Coordination and Broader Regional Markets efforts to develop solutions to address seams issues and Lake Erie Loop Flows, including the Joint Technical Conference with NYISO held on July 21st. A draft of the PJM/NYISO Joint Operating Agreement will be posted by mid-August.

J) AC2 Communications Plan

Mr. Souder reviewed the communications and migration plan for the AC2 project production migration. The scheduled go-live date is September 7, 2011.

K) Update on PJM's Browser Compatibility Assessment

Mr. Ulmer reviewed the results of the internet browser testing that PJM has been performing on its website. A plan for updating the systems found to be incompatible with select browsers currently not supported by PJM will be developed in September.

L) Marginal Losses Simulations

Mr. Tam discussed the potential timing of performing one additional round of Marginal Losses simulations before 6/1/2012 with the latest transmission system configuration. The Committee was asked for feedback on performing the studies now using the current configuration, or delaying the simulations until the transmission system changes resulting from the Duke integration could be incorporated. Minimal feedback was provided during the meeting. Any additional comments are encouraged to be sent to Mr. Tam before the September meeting.

M) Resettlement Approach for the FERC Ordered Marginal Loss Refunds

Mr. Dessender reviewed the resettlement approach for the FERC Ordered Marginal Loss Refunds. These adjustments impact the period of December 2007 through March 2009. PJM is currently analyzing the impacts of these re-billings and the most efficient way to conduct these re-billings. PJM has also filed with FERC a request for expedited consideration of the request for rehearing that was filed in this proceeding by financial marketers, such that the Commission's directives are clarified and the re-billings may ultimately be conducted with certainty of the intended outcome.

The next MIC meeting is scheduled for Tuesday, September 13, 2011 at The Chase Center in Wilmington, DE.

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