Markets and Reliability Committee

PJM Conference & Training Center, Valley Forge, PA

December 20, 2018

9:00 a.m. – 2:30 p.m. EPT

Administration (9:00-9:10)

Welcome, announcements and Anti-trust and Code of Conduct announcement – Ms. Suzanne Daugherty and Mr. Dave Anders

Informational Update (9:10-9:20)

Ms. Susan Riley, PJM Board Member, will provide a status update on the work of the Special Board Committee.

Consent Agenda (9:20-9:25)

1. Approve minutes of the December 6, 2018 meeting of the Markets and Reliability Committee (MRC).

Endorsements/Approvals (9:25-11:40)

1. PJM Manuals (9:25-9:40)
   1. Ms. Rebecca Stadelmeyer will review proposed changes to Manual 14D: Generator Operational Requirements related to Resource Tracker. **The committee will be asked to endorse these revisions.**
   2. Ms. Lisa Krizenoskas will present updates to Manual 14E: Upgrade & Transmission Interconnection Requests. **The committee will be asked to endorse these revisions.**
2. FTR Mark-to-Auction Credit Requirements (9:40-10:05)

Ms. Bridgid Cummings will present the Mark-to-Auction proposal endorsed by the Market Implementation Committee. The committee will be asked to endorse this proposal.

1. Must Offer Exception Process (10:05-10:30)

Mr. Pat Bruno will present the package endorsed by the Market Implementation Committee around the Must Offer Exception Process. The committee will be asked to endorse this proposal.

1. FTR Forfeiture Rule (10:30-10:55)

Mr. Brian Chmielewski will review the package endorsed by the Market Implementation Committee around FTR Forfeiture Rule changes. The committee will be asked to endorse this proposal.

1. Primary Frequency Response Sr. Task Force (10:55-11:15)

Mr. Glen Boyle will provide a summary of the work completed by the Primary Frequency Response Senior Task Force and PJM’s recommended next steps on this topic.

Because no package was endorsed by the Task Force, Ms. Susan Bruce, on behalf of the PJM Industrial Customer Coalition, will move PJM’s recommended next steps – to put the PFRSTF on hiatus for one year after which the MRC will decide whether the data gathered during 2019 supports reconvening the group or sunsetting it. David Scarpignato, on behalf of Calpine Energy Services, L.P., will second this motion. The committee will be asked to endorse this motion.

1. Distributed Energy Resources (11:15-11:40)

Mr. Pete Langbein will review proposed clarifications of market participation rules for Distributed Energy Resources located behind a customer’s meter participating as demand response to reduce load and as generation for additional power that can be injected with the appropriate interconnection agreement. The committee will be asked to endorse these revisions.

First Readings (11:40-2:15)

1. Energy Price Formation (11:40-12:40)
   1. Mr. Dave Anders will provide a status update on the work of the Energy Price Formation Sr. Task Force Mr. Adam Keech will present a first read of the PJM proposal regarding proposed reserve market enhancements.
   2. Frederick Heinle, Office of the People’s Counsel – District of Columbia, will present a first read the DC OPC proposal regarding proposed reserve market enhancements as the first alternate.
   3. Dr. Joseph Bowring, Monitoring Analytics, will present the IMM proposal as second alternate.

The Committee will be asked to endorse a proposal at its next meeting.

Lunch Break (12:40-1:15)

1. Transmission Replacement Process (1:10-1:55)
   1. Mr. Ed Tatum, American Municipal Power (AMP), will review proposed revisions to Manual 14B: Regional Transmission Planning Process to address End of Life facilities in the PJM planning process. This proposal was moved by AMP and seconded by Old Dominion Electric Cooperative at the July 27, 2018 MRC meeting and is to be considered the main motion.
   2. Mr. Aaron Berner will review PJM’s proposed Manual 14B revisions, which has been moved by FirstEnergy and seconded by Public Service Electric & Gas and is to be considered the first alternate motion.

The Committee will be asked to endorse a proposal at its next meeting. The main motion will be voted first. Should the vote on the main motion fail, the alternate motion will be voted.

1. PJM Manuals (1:55-2:15)
   1. Mr. Liem Hoang will present proposed updates to Manual 38: Operations Planning. The committee will be asked to endorse these revisions at its next meeting.
   2. Mr. Joe Carl will present proposed updates to Manual 40: Training and Certification Requirements. The committee will be asked to endorse these revisions at its next meeting.
   3. Mr. Jonathan Kern will present updates to Manual 14B: Regional Transmission Planning Process. The committee will be asked to endorse these revisions at its next meeting.
   4. Mr. Tao Yang will present updates to Manual 14G: Generation Interconnection Requests Planning Process. The committee will be asked to endorse these revisions at its next meeting.

Additional Informational Updates (2:15-2:30)

1. PJM Resilience Update (2:15-2:30)

Mr. Jonathon Monken will provide a general overview of the resilience activities undertaken by PJM in 2018.

1. Manual 39 Changes (This item will not be presented.)

A revision to Manual 39: “Nuclear Plant Interface Coordination” was posted effective December 5, 2018. This revision includes only changes to the Attachment C: “Plant Specific NPIRs Revision History” reflecting recent plant specific nuclear plant interface requirement (NPIR) changes.

<https://www.pjm.com/-/media/committees-groups/committees/oc/20181211/20181211-m-39-rev-17-redline-information-only.ashx>

Future Agenda Items (2:30)

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| Future Meeting Dates |

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| January 24, 2019 | 9:00 a.m. | Wilmington, DE |
| February 21, 2019 | 9:00 a.m. | Wilmington, DE |
| March 21, 2019 | 9:00 a.m. | Wilmington, DE |
| April 25, 2019 | 9:00 a.m. | Valley Forge, PA |
| May 30, 2019 | 9:00 a.m. | Valley Forge, PA |
| June 27, 2019 | 9:00 a.m. | Wilmington, DE |
| July 25, 2019 | 9:00 a.m. | Wilmington, DE |
| August 22, 2019 | 9:00 a.m. | Wilmington, DE |
| September 26, 2019 | 9:00 a.m. | Valley Forge, PA |
| October 31, 2019 | 9:00 a.m. | Wilmington, DE |
| December 5, 2019 | 9:00 a.m. | Wilmington, DE |
| December 19, 2019 | 9:00 a.m. | Valley Forge, PA |

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You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.

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Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. Stakeholders are also not allowed to create audio, video or online recordings of PJM meetings. PJM may create audio, video or online recordings of stakeholder meetings for internal and training purposes, and your participation at such meetings indicates your consent to the same.

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