



**DRAFT MINUTES
DECEMBER 5, 2014 OPEN MEETING**

**PJM Transmission Owners Agreement
Administrative Committee
Pier V Hotel**

1. Administration

- a. Gloria Godson welcomed meeting attendees, conducted a roll call, confirmed a quorum, reviewed open meeting participation restrictions and provided phone conference instructions.
- b. Approve Minutes of the October meeting
Minutes of the October meeting was approved.

2. PJM Updates

a. RTEP

PJM is currently wrapping up work on the 2014 RTEP. The second proposal window addressing TO criteria, voltage issues, and light load has closed. There was one area in Dominion where PJM made changes to the issues identified halfway through the window (Pratts area), so the timeline for these violations was extended, and closes today. PJM will evaluate to determine the most efficient and effective proposals. Most of the solutions are “upgrades.” PJM expects to take these projects to the February 2015 Board Meeting for approval. The Long Term Window is open now until the end of February 2015. At this time, PJM does not plan to direct projects to mitigate the reliability violations in the out years. Members raised concerns with the significant amount of work and expense required for the TO to put together upgrades to respond to these violations and the cost associated with the new deposit fee. These costs will likely still be incurred even if PJM does not plan to entertain proposals for those violations. Members expressed a strong preference for PJM to make a statement indicating that they do not want proposals for certain violations in the outer years. Folks noted that there is precedent from other regions that PJM can look at to consider in resolving the issue of violations in the out years and the need to not submit proposals for isolated reliability problems. SPP for example only issues a notice to construct for projects that are in close time frames. Members discussed some potential tariff changes to give PJM some flexibility. PJM will evaluate how best to address this issue.

2015 RTEP: PJM has finalized the assumptions that will be used in case development and analysis. PJM is soliciting from stakeholders ideas for Scenario Studies for example, at risk generation as related to EPA 111-D, winter peak/scenario studies etc. PJM confirmed that any violations that come out of EPA 111-D scenarios would not result in new projects. At this

point, PJM is simply trying to determine what units should be considered “at risk.” PJM will put out some information in the next 2 weeks regarding different scenarios and what the potential numbers are with respect to retirements. Planning will then need a significant amount of time to run analysis to identify the issues, associated cost and feasibility of actually building the needed transmission to resolve the issues.

Artificial Island: PJM has scheduled a meeting on December 9th to hear any stakeholder concerns regarding the AI proposals. This is to assist PJM staff in arriving at a recommendation to the Board. Entities with projects under consideration will have an opportunity to make presentations. PJM has also asked stakeholders to send comments in writing. PJM will open the meeting with a status report and progress so far, then AI finalists will present their proposals. The afternoon will be reserved for questions and any further discussion. PJM plans to make a recommendation to the Board in February 2015.

b. RPPTF

PJM plans to file its response to the FERC multi driver deficiency letter on Dec. 23. The RPPTF is currently discussing how to incorporate generator interconnections into the Multi-Driver process. The big issue is when there are clusters of generators that want to interconnect and impact a problem. For the next meeting, PJM will lay out a few examples. PJM would like to have language in the tariff so that they can handle some of the single generator issues without going through non-conforming language at FERC.

c. Synchrophasor Project

PJM provided a status update. PJM is working with TOs to provide them with weekly data quality reports. PJM and TOs continue to work toward resolution.

d. Winter Readiness Update

PJM provided a winter preparedness status update. Members asked questions about generator testing, best practices, commonality regarding testing checklist, intraday bid modification, gas-electric coordination and talking to PJM’s neighbors regarding lessons learned. PJM discussed their analysis of gas pipeline contingencies. PJM ran 3 different cases, one for each major pipeline. In each study, PJM removed the generation tied to that particular pipeline as a catastrophic failure. The results indicate that PJM could operate under most situations with the addition of more generation pre-contingency; however, the most vulnerability is associated with Transco. Since PJM can’t control the gas side, it is necessary to plan for these contingencies on the electric side. The result of this analysis is being put into the planning models. This preliminary work is focused on understanding the phenomenon. For next year PJM will evaluate specific contingencies and have the methodologies in place. There is no plan to add these results into next year’s RTEP. This is an extreme scenario, and it depends on where the failure occurs, what generation is lost and whether it has dual fuel capability.

e. Demand Response Update

PJM plans to make a “stop gap filing” to address the lingering uncertainty from the DC Circuit EPSA decision. The filing will do two things: 1) maintain the status quo for DR in PJM for one year; and 2) Establish a drop dead date where PJM will either proceed with the current DR

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rules or move DR from the supply side to the demand side of the market. The Attorney General has asked for a 30 day delay to seek cert from the Supreme Court. In the filing, PJM will tell FERC that should they not ask for cert, or should the Supreme Court decline to take the case by a certain date (April 2015), then at that point PJM would put new tariff sheets in place to move DR from supply side to demand side. If FERC has filed for cert and the Supreme Court has agreed to hear the case, then PJM would leave the existing tariff sheets in place.

3. Vote on CTOA Amendment To Include Designated Entities

TOAAC voted to approve the CTOA amendment to include Designated Entities.

4. PJM MRC's Reactive Service Problem Statement

PJM reported that their draft response to FERC's show cause order on reactive service will be discussed at the MRC.

5. Approve TO/TOP Matrix Version 8

PJM reviewed various updates and changes to the matrix and manuals, such as standards updates and other clean-up changes. TOAAC voted to approve Version 8 of the TO/TOP matrix.

6. NERC 2014 Long Term Reliability Assessment

PJM discussed the NERC 2014 long term reliability assessment.

7. LIT Update

LIT chair provided a status report on the ongoing discussion regarding the MMU access provisions and various agreements between MMU and PJM. The LIT discussed bringing this issue to the attention of the SRS working group. The SRS working group will receive the documents that the LIT reviewed regarding provisions for access to the requested information. Members noted that the MMU seems to be asking for info that we don't typically provide to PJM. PJM's perspective is that if PJM has the info, it can be sent to the MMU upon request. The real issue is that the MMU is obligated to turn this info over to others.

8. TOAAC Rules & Procedures WG Update

Moved to next TOAAC meeting

9. Other Business (All)

Additional Meeting Dates and Location:

Tuesday, January 6, 2015 – Pier 5 Hotel

Tuesday, February 3, 2015 – Pier 5 Hotel

Tuesday, March 3, 2015 – Pier 5 Hotel

Tuesday, April 7, 2015 – Pier 5 Hotel

Thursday, May 14, 2015 – Borgata Hotel, Casino and Spa, Atlantic City, NJ

Tuesday, July 14, 2015 – Pier 5 Hotel

Tuesday, September 15, 2015 – Pier 5 Hotel

Monday, October 5, 2015 – Pier 5 Hotel

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Monday, November 9, 2015 – Pier 5 Hotel