



**MINUTES
COST DEVELOPMENT SUBCOMMITTEE (279TH MEETING)
PJM CTC
FEBRUARY 8, 2013 9:00AM**

Members Present:

Schmitt, Jeffrey (Chair)	PJM Interconnection, LLC	Not Applicable
Ciampaglio, Anthony	Constellation Energy Commodities Group, Inc.	Other Supplier
Walter, Laura (Secretary)	PJM Interconnection, LLC	Not Applicable

Also in Attendance:

Pratzon, David	GT Power Group	Not Applicable
Dugan, William	Monitoring Analytics, LLC	Not Applicable
Burlew, Sarah	PJM Interconnection, LLC	Not Applicable
Hauske, Thomas	PJM Interconnection, LLC	Not Applicable
Ogburn, Ruston	PJM Interconnection, LLC	Not Applicable
Puchyr, Lindsey	PJM Interconnection, LLC	Not Applicable

Attended via Teleconference / WebEx:

Jacobson, Casey	AES Energy Storage LLC	Generation Owner
Hoag, Richard	Allegheny Power	Not Applicable
Celestine, Kizi	Appalachian Power Company (AEP Generation)	Transmission Owner
Berlinski, Michael	Beacon Power Corporation	Other Supplier
Filomena, Guy	Customized Energy Solutions, Ltd.*	Not Applicable
McQueeney, Judith J.	Customized Energy Solutions, Ltd.*	Not Applicable
Horstmann, John	Dayton Power & Light Company (The)	Transmission Owner
Riding, MQ	Essential Power, LLC	Generation Owner
Stadelmeyer, Rebecca	Exelon Business Services Company, LLC	Transmission Owner
Huffman, Dan	FirstEnergy Solutions Corp.	Transmission Owner
O'Connell, Robert	J.P. Morgan Ventures Energy Corporation	Other Supplier
Brodbeck, John	Pepco Energy Services Inc	Electric Distributor
Miller, Rod	PPL EnergyPlus, L.L.C.	Transmission Owner

1. Administration

Mr. Schmitt, PJM, reviewed the Antitrust, Code of Conduct, Media Participation Policy and roll call.

CDS endorsed the minutes from the 278th CDS held on January 8, 2013 and the Agenda.

Mr. Schmitt, PJM, reviewed the status of Unit Types not Addressed in Manual 15 and DSR shut down costs, which were reviewed by the board and will become effective on April 1st, 2013.



Mr. Schmitt, PJM, requested hibernating the Cost Development Subcommittee given the level of work and attendance in recent meetings. There were no objections to this as long as current work is completed.

2. Regulation Market Cost-Based Offers [Issue Tracking](#)

CDS reviewed the consensus based resolution matrix developed that received unanimous agreement at the previous CDS. CDS discussed the allocation of Non Steady State Heat Rate Degradation and a member proposed that this component be moved to the Performance offer. The IMM objected to moving Non Steady State Heat Degradation to the Performance offer. PJM proposed a poll before the next CDS to help decide with which package to move forward.

3. Cyclic Peaking Factors [Issue Tracking](#)

Mr. Hauske, PJM, reviewed the consensus based resolution matrix with the group. CDS discussed the changes that were made in moving overhaul and major inspection cost to the RPM market and the difference between starting and peaking factors. Stakeholders also expressed concern that removing the peaking factors would cause units to be over dispatched in the peaking range. PJM will send out the revised matrix post meeting. PJM will develop language around areas where we currently have a consensus. CDS will attempt to develop a consensus solution at the next meeting; participants are requested to be ready for final decision at the next CDS. Participants are encouraged to email waltel@pjm.com if they would like anything additional added to the matrix.

4. Future Agenda Items

Unrecovered Fuel Cost: [ISSUE TRACKING](#)

No additional item(s) were added to future agendas.

5. Future meeting dates

Monday, March 4, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, April 1, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, May 6, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, June 3, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, July 15, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, September 9, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, October 7, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, November 4, 2013	10:00 am until 3:00 pm	PJM CTC

Author: Lindsey Puchyr
DM #: 739148 v2