



Markets and Reliability Committee Report
PJM Interconnection
Members Committee Webinar
September 15, 2014

The Markets and Reliability Committee (MRC) met on August 21, 2014. The following topics were discussed at the meeting:

Topics for Endorsement

A) **PJM Manuals**

1. Mr. Hsia reviewed changes to Manual 12: Balancing Operations.
2. Mr. Sims discussed proposed revisions to Manual 14B: PJM Region Transmission Planning Process to include language that describes CETL easily resolved constraints.
3. Mr. Langbein presented proposed conforming revisions to Manual 11: Energy & Ancillary Services Market Operations.

Following discussion, the proposed revisions in items 2.A through 2.C were endorsed by acclamation with no objections or abstentions.

B) **RPM Triennial Review**

Ms. Ford reviewed the work of the Capacity Senior Task Force (CSTF) in performing the Tariff required Triennial Review of RPM, and presented proposed recommendations associated with the Cost of New Entry (CONE), Energy and Ancillary Services (E&AS) Offset and VRR Curve. Dr. Sotkiewicz provided clarification regarding aspects of the E&AS offset contained in several of the proposed packages. Ms. Ford noted the Tariff requirement that the Members Committee provide a recommendation to the Board on three questions related to the CONE, E&AS Offset and VRR Curve: support for the status quo, support for a PJM recommendation, and support for alternates to the PJM recommendation. She also noted that in addition to the status quo and PJM recommendation, two alternate packages had received greater than 50% support from the CSTF – packages B and I – and would therefore be voted on these along with the status quo and the PJM recommendation. Following discussion, sector-weighted votes were taken with the following results:

- Status quo – 2.78 in favor, 2.22 against
- PJM recommendation – 1.99 in favor, 3.01 against
- Package B – 2.03 in favor, 2.97 against
- Package I – 2.10 in favor, 2.90 against

Mr. Barker moved and Mr. O'Connell seconded another alternate package comprising the PJM recommendation with the status quo E&AS Offset. Following discussion this package was voted upon with the following result: 2.26 in favor, 2.74 against.

C) **Regional Planning Process Senior Task Force (RPPTF)**

Mr. McGlynn presented proposed Operating Agreement revisions related to the definition of the term "Supplemental Project." Following discussion, the proposed revisions were endorsed by acclamation with no objections and one abstention.



- D) Power Meter and In-Schedule Data Submittal Deadlines
Mr. Fernandez presented proposed Manual and Tariff revisions regarding Power Meter and InSchedule data submittal deadlines. Following discussion, the proposed revisions were endorsed by acclamation with no objections and two abstentions.
- E) Capacity Contribution Reconciliation
Ms. Kenney presented proposed Manual and Reliability Assurance Agreement changes from the Market Settlements Subcommittee that would allow Electric Distribution Companies to submit corrections to Peak Load Contribution and Network Service Peak Load assignments up to 12 noon on the next business day. Following discussion, the proposed revisions were endorsed by acclamation with no objections or abstentions.
- F) FTR/ARR Senior Task Force (FTRSTF) Problem Statement, Issue Charge and Charter
Mr. Anders discussed proposed updates to the FTRSTF problem statement, issue charge and charter. The committee discussed additional proposed edits to the documents, and resolved that the FTRSTF would consider them and bring the updated proposed documents to the next meeting of the MRC for approval.

First Readings

- G) Credit subcommittee Items
1. Mr. Loomis presented proposed Tariff revisions regarding Demand Bid Volume Limits. The committee will be asked to endorse these revisions at its next meeting.
 2. Mr. Loomis presented proposed Tariff revisions regarding Annual Officer Certification Submission changes. The committee will be asked to endorse these revisions at its next meeting.
 3. Mr. Loomis presented proposed Tariff revisions regarding PMA Adjustment for Virtual Transactions. The committee will be asked to endorse these revisions at its next meeting.
 4. Mr. Loomis presented proposed Tariff revisions regarding reduced credit requirement calculation interval for Virtual Transactions. The committee will be asked to endorse these revisions at its next meeting.
- H) Cost-Based Energy Market Offer Caps
Ms. Ford discussed proposed OA revisions associated with cost based energy market offer caps developed by the Cap Review Senior Task Force. The committee will be asked to endorse these revisions at its next meeting.
- I) DR Capacity Market Transition Mechanism for New 30 Minute Lead Time Requirement
Mr. Langbein presented a proposed transition mechanism in compliance with FERC order ER14-822 to allow curtailment service providers that are no longer able to deliver amounts of demand response previously cleared in PJM's capacity auctions to be relieved of part, or all of, their obligation and have their capacity payments commensurately reduced accordingly. The committee will be asked to endorse these revisions at its next meeting.
- J) Tier 1 Capability
Mr. Olaley presented proposed revisions to Manual 11: Energy & Ancillary Services Market Operations and Manual 28: Operating Agreement Accounting regarding the applicability for Tier 1 Capability compensation. The committee will be asked to endorse these revisions at its next meeting.



K) PJM Manuals

1. Proposed revisions to Manual 11: Energy & Ancillary Services Market Operations and Manual 15: Cost Development Guidelines relating to the Regulation Performance Cost Equation.
2. Proposed revisions to Manual 14A: Generation and Transmission Interconnection Process regarding interim deliverability studies.
3. Proposed revisions to Manual 14D: Generator Operational Requirements.
4. Proposed revisions to Manual 18: PJM Capacity Market regarding the annual demand response maintenance outage reporting process.
5. Proposed revisions to Manual 19: Load Forecasting and Analysis regarding clarifying the current load forecast adjustment process.

The next MRC meeting is scheduled for September 18, 2014 at the Chase Center on the Riverfront in Wilmington, DE.

Prepared By: Dave Anders