



Market Implementation Committee Report  
PJM Interconnection  
Operating Committee / Markets and Reliability Committee / Members Committee  
PJM Conference & Training Center  
Audubon, PA  
September 2014

The Market Implementation Committee met on September 3, 2014 at the PJM Conference and Training Center in Audubon, PA. The following topics were discussed at the meeting:

A) Winter 2015 Increment Offers and Decrement Bids Credit Requirement

Ms. Stephanie Staska, Twin Cities Power, presented a problem statement about increment offers and decrement bid credit requirements for winter 2015. The current credit requirements for increment offers and decrement bids were established in 2003 using a nodal reference price. This nodal reference price is calculated based on January and February 2014 which was higher than were in place in 2014. **The problem statement was endorsed with 2 objections 39 abstentions.** The issue charge was modified by friendly amendment to assign the issue to the Credit Subcommittee. The committee discussed how any change would need to be completed and filed with FERC by November 1 to be implemented by January 1, 2015. **The Issue Charge was endorsed with 1 objection and 42 abstentions.**

B) Correction to Adjusted Regulation Performance Cost Equation

Mr. Michael Olaleye, PJM, provided clarification around language in Manual 11 and Manual 15 relating to the Regulation Performance Cost Equation. A friendly amendment to delete the word "mileage" from Manual 15 language, the new sentence reads as: "The \$/MW value determined in the performance offer will be converted to cost for  $\$/\Delta MW$  by dividing the value by the mileage  $\Delta MW/MW$  for the applicable signal for that offer as described in M11." **The updated manual language was endorsed with 0 objections and 1 abstention.**

C) Tier 1 Capability

Mr. Michael Olaleye, PJM, will provide an update on the applicability for Tier 1 Capability compensation. A friendly amendment to add that hydro units "that have notified PJM that they cannot provide Tier 1 synch reserve" will be excluded from the units that are calculated to provide Tier 1 reserve. This item was deferred to address Market Monitor concerns about synchronized reserve payments.

D) Credit Subcommittee Update

Mr. Hal Loomis, PJM, presented update on several Credit Subcommittee items. Item 5C is a friendly amendment to a previously endorsed change. **The committee endorsed these changes with 1 objection and 8 abstentions.**

E) Annual Demand Response Maintenance Outage Reporting Process

Ms. Andrea Yeaton, PJM, presented new language explaining the Annual Demand Response maintenance outage reporting process. **The committee endorsed this change with 0 objections and 18 abstentions.**



## Other Topics

F) Energy and Reserve Pricing and Interchange Volatility

Ms. Lisa Morelli, PJM, gave an update on the ERPIV working sessions. The committee will be asked to endorse the proposed solutions at the October MIC.

G) Residential Demand Response: Participation in the PJM Synchronized Reserve Market and Measurement and Verification for Energy and Load Management

Ms. Shira Horowitz, PJM, presented a first read of two Demand Response Subcommittee Items. The committee will be asked to endorse the proposed revisions at the October MIC.

H) Interregional Coordination Update

Mr. Stan Williams, PJM, presented an update on interregional coordination efforts.

I) Pricing Interfaces

Mr. Joe Ciabattini, PJM, gave an update on pricing interfaces.

J) Settlement Adjustment Items

Mr. Asanga Perera, PJM, presented an update on MISO-PJM market-to-market settlement adjustments.

The next MIC meeting is scheduled for **October 8, 2014** at the PJM Conference and Training Center.