

**Markets and Reliability Committee**  
**PJM Conference & Training Center, Valley Forge, PA**  
**December 20, 2018**  
**9:00 a.m. – 2:30 p.m. EPT**

## Administration

Ms. Suzanne Daugherty and Mr. David Anders welcomed stakeholders and provided the Anti-trust and Code of Conduct announcement.

## Informational Update

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

## Consent Agenda

Item A was **approved** by acclamation with no objections or abstentions.

A. Minutes of the December 6, 2018 meeting of the Markets and Reliability Committee (MRC).

## Endorsements/Approvals

### 1. PJM Manuals

A. Ms. Chris Franks reviewed proposed changes to Manual 14D: Generator Operational Requirements related to Resource Tracker.

B. Ms. Lisa Krizenoskas presented updates to Manual 14E: Upgrade & Transmission Interconnection Requests.

Following discussion the committee **endorsed** the proposed manual revisions in items 1.A and 1.B by acclamation with no objections or abstentions.

### 2. FTR Mark-to-Auction Credit Requirements

Ms. Bridgid Cummings presented the Mark-to-Auction proposal endorsed by the Market Implementation Committee (MIC). Following discussion the committee **endorsed** the proposal by acclamation with one objection and no abstentions.

### 3. Must Offer Exception Process

Mr. Jeff Bastian presented the proposal endorsed by the MIC around the Must Offer Exception Process. Ms. Bruce, on behalf of Praxair, moved and Mr. Carl Johnson, on behalf of ODEC, seconded deferral of voting on this item until the April 25, 2019 MRC meeting to allow additional discussion and potential updating of the proposal at the MIC. Following discussion the committee **endorsed** the motion to defer in a sector-weighted vote with 3.74 in favor.

#### 4. FTR Forfeiture Rule

Mr. Brian Chmielewski reviewed the proposal endorsed by the Market Implementation Committee regarding FTR Forfeiture Rule changes. Following discussion Mr. Mike Borgatti, Gabel Associates, moved and Ms. Sharon Midgely, Exelon, seconded deferral of voting on the proposal until the February 21, 2019 MRC meeting. The committee **endorsed** the motion to defer by acclamation with no objection or abstentions.

#### 5. Primary Frequency Response Sr. Task Force (PRFSTF)

Mr. Glen Boyle provided 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 Air Products & Chemicals, moved and Mr. David Scarpignato, on behalf of Calpine Energy Services, seconded 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 sunseting it. Following discussion the committee **endorsed** the proposed next steps by acclamation with no objections or abstentions.

#### 6. Distributed Energy Resources

Mr. Pete Langbein reviewed 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. Following discussion the committee **endorsed** the proposal by acclamation with no objection and one abstention.

### First Readings

#### 7. Energy Price Formation

Mr. Andy Ott discussed the PJM Board of Manager's December 5, 2018 letter, and answered related question. Mr. David Anders provided a status update on the work of the Energy Price Formation Sr. Task Force.

- A. Mr. Adam Keech presented a first read of the PJM proposal regarding proposed reserve market enhancements.
- B. Frederick Heinle, Office of the People's Counsel – District of Columbia, presented a first read the DC OPC proposal regarding proposed reserve market enhancements as the first alternate proposal.
- C. Dr. Joseph Bowring, Monitoring Analytics, presented the Independent Market Monitor proposal as the second alternate proposal.
- D. Mr. David Scarpignato, Calpine Energy Services, presented a first read the Calpine proposal regarding proposed reserve market enhancements as the third alternate proposal.

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

## 8. Transmission Replacement Process (1:10-1:55)

Mr. Ken Seiler provided an overview of work since dissolution of the Transmission Replacement Process Sr. Task Force on development of proposed revisions to Manual 14B: Regional Transmission Planning Process to comply with the FERC Show Cause order, integrate a process to accommodate that Order, and to bring the manual up to date in other regards. Mr. Aaron Berner summarized the proposed manual revisions that are consistent between the existing proposals.

- A. Mr. Ed Tatum, American Municipal Power (AMP), reviewed the difference between the AMP/ODEC and PJM proposed manual revisions. 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.
- B. Mr. Jeff Stuchell, FirstEnergy, moved and seconded Mr. Alex Stern, Public Service Electric & Gas, seconded the PJM proposed manual revisions as the first alternate motion.

Ms. Sharon Segner, LS Power discussed a proposed friendly amendment to the proposals regarding treatment of Supplemental Projects. The Committee will be asked to endorse a proposal at its next meeting.

## 9. PJM Manuals (1:55-2:15)

- A. Mr. Liem Hoang presented proposed updates to Manual 38: Operations Planning. The committee will be asked to endorse these revisions at its next meeting.
- B. Mr. Joe Carl presented proposed updates to Manual 40: Training and Certification Requirements. The committee will be asked to endorse these revisions at its next meeting.
- C. Mr. Jonathan Kern presented updates to Manual 14B: Regional Transmission Planning Process. The committee will be asked to endorse these revisions at its next meeting.
- D. Mr. Tao Yang presented 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)**

### 10. PJM Resilience Update (2:15-2:30)

Mr. Jonathon Monken provided a overview of the resilience activities undertaken by PJM in 2018.

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

Ms. Daugherty noted that 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

No new future agenda items were identified.

## Future Meeting Dates

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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