

Markets and Reliability Committee

Webex Only

December 17, 2020

9:00 a.m. – 12:45 p.m.

Administration

Stu Bresler and Dave Anders welcomed stakeholders and provided the Anti-trust, Code of Conduct, and Meeting Participation announcements. Stu Bresler noted the addition of agenda item X regarding Black Start Unit Testing, CRF, Involuntary Termination, MTSL and Substitution Rules including Existing Resources. He noted that presentation materials from a stakeholder had been timely posted with the materials for agenda item 3, but the stakeholder subsequently requested that presentation be considered as a separate agenda item.

Consent Agenda

Items A and C were **approved/endorsed** by acclamation with one objection (item A) and no abstentions. Greg Poulos, on behalf of the West Virginia Consumer Advocate Division, moved and David Scarpignato, Calpine, seconded deferring voting on Consent Agenda item B until the committee's next meeting. The motion to defer was **approved** in a sector-weighted vote with 3.67 in favor.

- A. Minutes of the November 19, 2020 meeting of the Markets and Reliability Committee (MRC).M
- B. Proposed revisions to Manual 14C: Generation and Transmission Interconnection Facility Construction as part of the biennial cover-to-cover review.
- C. Proposed revisions to Manual 28: Operating Agreement Accounting conforming with the changes to FERC Order EL-14-37-000 and addressing the allocation of real-time uplift and day-ahead uplift to UTCs.

Endorsements/Approvals

None

First Readings

1. Real Time Values Market Rules

Laura Walter reviewed a proposal addressing Real Time Values Market Rules as endorsed by the Market Implementation Committee. The committee will be asked to endorse the package at its next meeting.

[Issue Tracking: Real Time Market Values](#)

2. PRD Credits Disposition

Pete Langbein reviewed a proposal addressing the disposition of PRD credits. The committee will be asked to endorse the package at its next meeting.

[Issue Tracking: Price Responsive Demand \(PRD\) Credits Disposition](#)

3. Black Start Unit Testing, CRF, Involuntary Termination, MTSL and Substitution Rules

Mike Bryson discussed background on the issue, specifically addressing the Capital Recovery Factor.

Greg Poulos, on behalf of the Delaware Division of the Public Advocate, moved to amend the related Issue Charge to strike Key Work Activity 7: “Current Black Start Units receiving the capital cost recovery rate (Schedule 6A) and units already awarded in recent Black Start RFPs will continue with the commitment period and CRF rates as documented in the current Open Access Transmission Tariff, Schedule 6A, Black Start Service,” asserting that the wording improperly incorporated a solution in the Issue Charge. Stu Bresler noted that the motion was not in order, as the agenda for the meeting did not include consideration of the Issue Charge. Greg Poulos withdrew the motion.

Becky Davis reviewed proposals addressing Black Start Unit Involuntary Termination, Substitution Rules, Capital Recovery Factor (CRF) and Minimum Tank Suction Level (MTSL) and corresponding revisions to the Tariff, Manual 12: Balancing Operations, and Manual 15: Cost Development Guidelines. The committee will be asked to endorse a proposed solution at its next meeting.

[Black Start Unit Involuntary Termination & Substitution Rules](#)

X. Black Start Unit Testing, CRF, Involuntary Termination, MTSL and Substitution Rules including Existing Resources

Greg Poulos, on behalf of Delaware Division of the Public Advocate, reviewed a proposal addressing Black Start Unit Involuntary Termination, Substitution Rules, Capital Recovery Factor (CRF) and Minimum Tank Suction Level (MTSL) that includes existing resources.

4. Stability Limits in Markets and Operations

- A. Lisa Morelli provided an overview of the MIC’s work activities and related procedural history for the Stability Limits in Markets and Operations issue.
- B. Joe Ciabattone reviewed a Capacity Constraint solution proposal and corresponding Operating Agreement (OA) and Tariff revisions (the main motion).
- C. Paul Sotkiewicz, on behalf of JPower, reviewed an Opportunity Cost solution proposal (the first alternate motion).

The committee will be asked to endorse a proposed solution at its next meeting.

[Issue Tracking: Stability Limits in Markets and Operations](#)

5. PJM Manuals

- A. Brian Chmielewski reviewed proposed revisions to Manual 6: Financial Transmission Rights addressing the enforcement of FTR Bid Limits at the corporate entity level. The committee will be asked to endorse the revisions at its next meeting.
- B. Natalie Tacka reviewed proposed revisions to Manual 11: Energy & Ancillary Services Market Operations, Manual 14D: Generator Operational Requirements and Manual 18: PJM Capacity Market addressing Public Distribution Microgrids. The committee will be asked to endorse the revisions at its next meeting.
- C. Kevin Hatch reviewed proposed revisions to Manual 12: Balancing Operations resulting from the periodic review. The committee will be asked to endorse the revisions at its next meeting.
- D. Kevin Hatch reviewed proposed revisions to Manual 13: Emergency Operations resulting from the periodic review. The committee will be asked to endorse the revisions at its next meeting.
- E. Jeff Bastian reviewed proposed revisions to Manual 18: PJM Capacity Market conforming to the FERC-ordered rule changes in the Minimum Offer Price Rule and Forward Energy & Ancillary Services Offset dockets (Docket Nos. EL16-49-003, EL18-178-003, ER18-1314-006 and EL19-58). The committee will be asked to endorse these revisions at its next meeting.
[Issue Tracking: Capacity Market Minimum Offer Price Rule \(MOPR\) Order](#)
- F. Liem Hoang reviewed proposed revisions to Manual 38: Operations Planning resulting from the periodic review. The committee will be asked to endorse these revisions at its next meeting.

Informational Reports

6. Capital Recovery Factors Used In APIR

Jeff Bastian provided an informational update regarding the Capital Recovery Factor for Avoidable Project Investment Rate Determinations as issued in a PJM Statement on Monday, December 7, 2020. [PJM Statement on the Capital Recovery Factor for Avoidable Project Investment Rate Determinations](#)

Y. Fast Start Pricing Implementation

Stu Bresler provided an update on the Fast Start Pricing proposal before the FERC. He indicated that its December 17, 2020 meeting the FERC approved an order accepting in part and rejecting in part PJM's fast-start pricing compliance filing. He observed that the order requires a further compliance filing 60 days, and that PJM would provide further update on plans for the compliance filing and implementation as soon as possible.

Informational Posting Only (Not discussed at the meeting)

7. Informational Posting - Manual 01, Attachment F Changes

Revisions to Manual 01: Control Center and Data Exchange Requirements, Attachment F: Overview and Requirements for Remote Operations of Market Operations Centers during the COVID-19

Pandemic have been posted with the meeting materials. The change extends the expiration date to June 30, 2021 given the current state of the COVID-19 Pandemic.

Future Agenda Items (12: 45)

No new future agenda items were identified.

Future Meeting Dates

January 27, 2021	9:00 a.m.	WebEx
February 24, 2021	9:00 a.m.	WebEx
March 24, 2021	9:00 a.m.	WebEx
April 21, 2021	9:00 a.m.	WebEx
May 26, 2021	9:00 a.m.	WebEx
June 23, 2021	9:00 a.m.	WebEx
July 28, 2021	9:00 a.m.	TBD
August 25, 2021	9:00 a.m.	TBD
September 29, 2021	9:00 a.m.	TBD
October 20, 2021	9:00 a.m.	TBD
November 17, 2021	9:00 a.m.	TBD
December 15, 2021	9:00 a.m.	TBD

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