



Minutes
PJM Interconnection
Cost Development Subcommittee (263rd Meeting)
PJM Service Center – S-1
Monday June 20, 2011
10:00 AM

Members in Attendance:

Williams, Stanley (Chair)	PJM Interconnection
Ciampaglio, Tony	Constellation Energy Commodities Group, Inc.
Gomez, Luis	Exelon Generation Co., LLC
Lopez, Johny	PSEG Energy Resources and Trade LLC
Walter, Laura (Secretary)	PJM Interconnection

Also in Attendance:

Bowring, Joseph	Monitoring Analytics, LLC
Dugan, William	Monitoring Analytics, LLC
Modi, Vikram	Monitoring Analytics
Hauske, Thomas	PJM Interconnection
Zadlo, Thomas	PJM Interconnection

Attended via WebEx / Teleconference:

Fee, George	Appalachian Power Company
Filomena, Guy	Customized Energy Solutions, Ltd.*
Horstmann, John	Dayton Power & Light Company (The)
Maucher, Andrea	Division of the Public Advocate of the State of Delaware
Keefer, Brian	Dominion Energy Marketing, Inc.
Plutschak, Richard	Easton Utilities Commission
Hoag, Richard	FirstEnergy Solutions Corp.
Palcic, Ron	FirstEnergy Solutions Corp
Siegrist, Hal	GenOn Energy Management, LLC
Broadbeck, John	Shell Energy North America (US), LP
Varnell, John	Tenaska Power Services Co.

1. ADMINISTRATION

CDS approved the minutes from the 262nd CDS held on 5/23/2011.

CDS approved the minutes from the 261st CDS held on 4/25/2011.

CDS approved the Agenda for the 263rd CDS.

PJM reviewed the Code of Conduct and Antitrust Statements.

CDS discussed the significance, use and appropriateness of having sector representations placed next to participant's names. Some CDS participants objected to the sector listing as it misrepresented their affiliate's sector by only showing the holding company sector. The Market



Monitor stated that the sector is important for both tier 2 alternative development and for showing parent company representation to upper level committees. John Horstman volunteered to raise this issue with the Governance Assessment Special Team for resolution.

2. CDS STATUS UPDATE

Mr. Williams informed CDS that [Station Service Rates](#) for the third quarter 2011 were updated and posted.

3. NO LOAD FUEL/COST: [ISSUE TRACKING LINK](#)

PJM presented updated example problem, problem statement, educational document, and manual language. CDS discussed whether the modification of no load to make a monotonically increasing cost offer has the potential to create a gaming opportunity. The CDS also debated whether changing no load would affect only the first incremental energy segment or all energy segments of the cost offer. The Market Monitor and PJM requested participants provide notice if they are using no load to affect anything other than the first increment of their cost offer curve and also if they had any non-monotonically increasing cost offer examples. CDS members are to send their thoughts and concerns on no load to PJM and the IMM prior to the next meeting. PJM staff will bring a combined cycle no load example to the next meeting.

4. VARIABLE OPERATING AND MAINTENANCE (VOM) COST DEFINITION: [ISSUE TRACKING LINK](#)

The CDS reviewed definitions for various terms related to the variable operating and maintenance and a list of typical maintenance, repair, or replacement items and selected one of four categories for some of the tasks. The four categories were Short Run Marginal Costs (Hourly), Short Run VOM, Avoidable Cost Recovery (ACR) (Annual), and Avoidable Project Investment Recovery APIR (greater than annual). CDS members have been requested to complete the categorization of the remaining items in the matrix prior to the next meeting.

5. INFORMATION FOR UNIT TYPES NOT ADDRESSED BY MANUAL 15: [ISSUE TRACKING](#)

CDS did not discuss this item.

6. CDS WORK PLAN AND FUTURE TOPICS

Immature Unit Definition: [Issue Tracking](#)

Combined Cycle Modeling: [Issue Tracking](#)

Cyclic Peaking Factors for Combined Cycle units: [Issue Tracking](#) (referred by MRC)

7. FUTURE MEETINGS

Monday, August 8, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, September 12, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, October 17, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, November 14, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, December 12, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices



Anti-trust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.

Public Meetings/Media Participation:

Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. PJM Members are also not allowed to create audio, video or online recordings of PJM meetings.

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