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Susan J. Riley
Interim President and CEO
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July 11, 2019

Dear Members,

As PJM communicated by letter dated April 12, 2019, at its meeting on April 3, 2019, the PJM Board decided, on a trial basis, to schedule closed session meetings between representatives of the PJM Board and each individual sector in an effort to foster elevated and strategic communications.

To this end, at 8:45 a.m. on June 28, 2019, PJM Board members Ake Almgren, Sarah Rogers and I (acting in my capacity as a seated member of the PJM Board) together with PJM President and CEO, Andy Ott, met with executive leadership from Electric Distributors: Allegheny Electric Cooperative, American Municipal Power, Blue Ridge Power Agency, Delaware Municipal Electric Corporation, Old Dominion Electric Cooperative, and, Southern Maryland Electric Cooperative.

At the outset of the June 28, 2019 meeting, PJM's Senior Vice President and General Counsel reminded attendees of the following principles:

1. The meeting was convened by PJM in response to stakeholder request;
2. The PJM Board is an independent body;
3. It acts only as a body and individual representatives of the Board do not make any binding commitments on behalf of the Board or PJM;
4. The purpose of the meeting is for the Board representatives to listen and hear directly from the sector;
5. Discussions will be confined to the agenda topics and remain at a strategic and educational level; to the extent discussions head into detailed recommendations or into matters pending before the Board, the discussion be redirected; and
6. The meeting is *ex parte* and PJM will disclose briefly, by public posting on its website, the topics discussed promptly following the meeting.

Additionally, counsel provided attendees the antitrust direction as used by PJM for its other stakeholder meetings.

Meeting Agenda Topics and Summary of Discussion:

1. **Public Power Overview**
An overview of the public power business model was offered to the PJM Board. This included: the role of self supply and its fit into resource adequacy; the increasing need to accommodate greater customer preference in the resource mix (including renewable and distributed resources); the criticality of an unbiased and independent PJM Board to the public power business model; the perceived influence of large transmission owners; and the desire for PJM to have a role in overseeing supplemental projects.

2. Sustainability of the PJM Business Model

Discussion was had on the long-term viability of the PJM business model, including the evolution of reliability at least cost as the primary objectives of stakeholders and the penetration of distributed resources. Sector participants noted independent regional planning is a critical value offered by a Regional Transmission Organization; including a competitive transmission planning process. Extensive discussion followed regarding the cost and oversight of supplemental transmission projects and self-supply actions customers were taking to reduce their share of transmission costs. Attendees further discussed the role and importance of PJM as a service organization; underscored by offering value to its members through the viewpoint of all members being equal.

3. Governance

Attendees discussed the function of the PJM stakeholder process; agreeing the consensus based resolution model generally produces effective outcomes. A desire was expressed to allow issues to begin and be brought forward by stakeholders as well as a viewpoint on the role of the PJM Board in time bounding the stakeholder process.

4. Culture

Discussion included the importance of understanding and considering customer perspectives. The need to evaluate and change corporate culture to improve engagement and customer focus was also discussed.

The meeting concluded 90 minutes after its start.

Sincerely,

A handwritten signature in cursive script that reads "Susan J. Riley". The signature is written in black ink and is positioned above the printed name and title.

Susan J. Riley
Interim President & CEO