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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 12:00pm on July 31, 2019, PJM Board members Ake Almgren, Neil Smith and I (acting in my capacity as Interim President and CEO), met with executive leadership from the following consumer advocates and end use customers: Consumer Advocates of the PJM States, Delaware Division of the Public Advocate, Office of the People's Counsel for the District of Columbia, Illinois Citizens Utility Board, Indiana Office of Utility Consumer Counselor, Maryland Office of People's Counsel, New Jersey Division of Rate Counsel, Trustees of the University of Pennsylvania, West Virginia Consumer Advocate Division, and, the PJM Industrial Customer Coalition, including members Messer, LLC and Praxair, Inc.

At the outset of the July 31, 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. Overview of Member Engagement in PJM
Participants offered their high-level objectives of PJM and its function as a Regional Transmission Organization generally including the affordable, reliable and environmentally sound supply of electricity. Some participants included additional objectives including the attraction of clean energy; improving

alignment across RTO/ISO seams; and, managing increasing transmission costs.

2. Customers' View on the Importance of PJM Governance and Stakeholder Process Sector

Participants described PJM's primary purpose is to be a service provider to end use customers. Viewpoints were shared on the responsibility of the process to clearly articulate both the problem being addressed and its impact to end use customers. Specifically, it was offered, that increased transparency is required on the cost-versus-benefit equation of stakeholder proposals and after-the-fact assessments. The implementation of Capacity Performance reform to RPM was identified as an example. Also noted was the importance of an effective relationship between PJM and its Market Monitor.

3. Customers' Vision of PJM Markets in the Future: Focusing on the Benefit to Customers

Attendees noted the imperative that PJM support and advance state environmental policy objectives in regards to generation. Industrial interests, however, also noted that accommodating state policy can stifle innovation and the discipline that PJM's competitive markets have historically delivered. Relating to Financial Transmission Rights (FTR), sector representatives understood the need to focus immediately on credit reform, but expressed a clear desire to see examination of the fundamental purpose and structure of the FTR market to ensure it is providing value to consumers.

4. Customers' Perspective on PJM's Vital Role in Transmission Planning

Participants discussed the need for increased transparency and evaluation relating to supplemental transmission projects. Due to the integrated nature of the grid, participants noted the jurisdictional bounds that oversight of supplemental projects pose. Despite progress to date in transparency around supplemental projects, attendees noted there is an increasing need for reform. Participants urged PJM to assume a more active oversight role and noted that the FERC can change the allocation of responsibilities for supplemental project oversight.

The meeting concluded 90 minutes after its start.

Sincerely,

/s/ Susan J. Riley

Susan J. Riley
Interim President & CEO