



2750 Monroe Blvd
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Susan J. Riley
Interim President and CEO
610-666-2231

December 13, 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 4:00 p.m. on December 4, 2019, PJM Board members Ake Almgren, Neel Foster, Mark Takahashi plus myself (in my capacity as the Interim President & CEO) met with executive leadership from the Other Supplier Sector: Citadel, DC Energy, EDF Energy, Enel, TPC Energy Fund, Vitol, and, Modern Energy ("Participants").

At the outset of the December 4, 2019 meeting, PJM's 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. FTR Market Design
The Participants offered their high-level support for the FTR market as currently designed. The Participants further discussed the importance of the price signals provided by the FTR market that cannot be replicated elsewhere. The Participants encouraged PJM to ensure that it is devoting sufficient funds to ensure the efficient administration of the market and the utilization of technological improvements to speed the clearing process. The Board was encouraged to lead on market evolution.

2. The Relationship between PJM and the IMM

The Participants expressed concerns regarding the IMM's expansion of his scope and market design advocacy. The Participants thanked the Board for providing an opportunity to provide feedback through the ombudsman process.

3. Governance Issues

The Participants encouraged PJM to maintain its focus on efficient market design and on supporting the wholesale markets. The Participants recognized the importance of increasing the level of commercial understanding possessed by PJM staff. The Participants indicated that PJM must be focused on the continuous improvement of the markets – both in terms of policy and software/use of technology.

4. Distributed Energy Resources (DER) and Demand-Side

The Participants noted the importance of ensuring that the wholesale markets afford access to, and accurately reflect, demand-side interests, including particularly the utilization of DER. The Participants requested additional leadership from PJM in making the states aware of the benefits of demand-side response and in supporting the development of demand-side products that are severable from the retail supply obligation.

The meeting concluded 2 hours 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 to the left of the typed name.

Susan J. Riley
Interim President & CEO