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VIA Electronic Delivery

March 6, 2023

Dear Members,

At the February 23, 2023 Members Committee meeting, Paula Conboy indicated the PJM Board's desire to intake feedback on the contract between PJM and the independent market monitor (IMM). I wanted to provide further information around that request.

First, I want to express the PJM Board's support for a strong, robust, independent market monitoring function. The function is absolutely essential to the operation of PJM's competitive markets to ensure competitive and non-discriminatory outcomes that are free of market manipulation. The PJM Board has a constructive relationship with Monitoring Analytics, Inc. and Dr. Bowring.

Over the last few years, the PJM Board has added several new Board members (including myself). We believe it is incumbent upon us to intake feedback on any number of items in the PJM sphere, including the contract between PJM and the IMM. The desire to intake feedback, in my view, is important to the PJM Board in fulfilling our governance obligations.

It is important to note a few parameters around the feedback we hope to intake. We are not seeking feedback from stakeholders on the IMM's performance. The PJM Board has a separate annual evaluation process it utilizes with the IMM that has served the Board well. We are also not seeking input on the IMM's scope of duties as defined in the PJM Market Monitoring Plan (Tariff, Attachment M).

We are, however, interested in receiving feedback on contractual terms in the Market Monitor Services Agreement (Rate Schedule 46) and Service Level Agreement (Rate Schedule 47). During Paula's short discussion on the topic at the MC meeting, she mentioned a few items that have been discussed with the PJM Board (budget, data confidentiality, ownership of intellectual property, succession planning). These are examples of some of the items that we'd appreciate feedback on.

We are providing three venues to receive feedback. The first will be at the April 3, 2023 Liaison Committee meeting for the Members, and the second will be on April 17, 2023 at the OPSI Spring Meeting for the states. The third will be at the Markets and Reliability Committee on April 26, 2023. To provide transparency, we plan to summarize the feedback received in all forums without attribution.

I hope that this correspondence provides greater clarity around the information we are seeking and our methodology for doing so.

Sincerely,

David Mills
Chairman, PJM Board Competitive Markets Committee