

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
July 23, 2015
9:30 a.m. – 4:00 p.m. EPT

Administration (9:30-9:35)

Mr. Kormos welcomed stakeholders to the meeting and Mr. Anders provided the Anti-trust and Code of Conduct announcements.

Endorsements/Approvals (9:35-11:30)

1. Draft Minutes (9:35-9:40)

Minutes of the June 25, 2015 Markets and Reliability Committee (MRC) meeting, and the minutes of the two special meetings of the MRC held on June 10, 2015 and July 15, 2015 were **approved** by acclamation with no objections or abstentions.

2. PJM Manuals (9:40-9:55)

- A. Mr. Mike Del Viscio presented proposed revisions to Manual 01: Control Center and Data Exchange Requirements.
- B. Mr. Chris Pulong presented proposed revisions to Manual 13: Emergency Operations.

Following discussion, the proposed revisions in items 2.A and 2.B were **endorsed** by acclamation with no objections or abstentions.

3. Capacity Performance (9:55-10:45)

Mr. Bresler discussed the FERC order received late on July 22, 2015 in dockets ER15-623-002, EL15-29-001, EL15-41-001 and EL15-80-000 regarding participation of demand response (DR) and energy efficiency (EE) resources in the 2016/17 and 2017/2018 Transition Auctions. He noted that the FERC order requires that PJM amend its Tariff to allow DR and EE resources to participate in the two Transition Auctions, and to file changes to the auction schedule to allow meaningful participation. He indicated that the two Transition Auctions would likely be held in the first two weeks of September, 2015, and that a final schedule would be published as soon as possible. He noted that the schedule and plans for the 2018/2019 Base Residual Auction (BRA) remain unchanged.

- A. Ms. Terri Esterly discussed proposed revisions to Manual 18: PJM Capacity Market related to Capacity Performance. Mr. Bresler noted comments from several Members indicating their desire for further development of additional detail regarding certain provisions of the Manual revisions that do not directly pertain to the 2018/2019 BRA. He recommended that the proposed Manual 18 revisions be endorsed subject to continued review of these non-BRA related provisions, and there were no objections. Following discussion, the proposed revisions were **endorsed** by acclamation with one objection and 25 abstentions.

B. Mr. Tom Falin discussed proposed revisions to Manual 20: PJM Resource Adequacy Analysis related to the determination of Limited-Availability Resource Constraints under Capacity Performance. Following discussion, the proposed revisions were **endorsed** by acclamation with five objections and eight abstentions.

4. FERC Order 1000 Proposal Fee Update (10:45-10:55)

Mr. Fran Barrett presented a proposed revision to previously endorsed proposal fees. Following discussion, the proposed revisions were **endorsed** by acclamation with no objections or abstentions.

5. Merchant Network Upgrade (10:55-11:10)

Mr. Jason Connell presented proposed Tariff revisions related to merchant network upgrades. Following discussion, the proposed revisions were **endorsed** by acclamation with no objections or abstentions.

6. Timing of Replacement Capacity Transactions (11:10-11:25)

Mr. Paul Scheidecker presented a proposal related to timing of procuring replacement capacity developed by the Market Implementation Committee. Mr. Tom Rutigliano, Enerwise Global Technologies, Inc., proposed a friendly amendment to allow replacement transactions before November 30th prior to the delivery year under the same conditions as currently apply to transactions made after that date. Several Members objected and therefore Mr. Rutigliano moved the proposal as an alternate motion. Following discussion, the main motion was **endorsed** in a sector-weighted vote with 3.44 in favor.

7. Market Data Confidentiality Clarifications (11:25-11:40)

Mr. Tom Zadlo presented a proposed problem statement and issue charge related to Market Data Confidentiality Clarifications. Mr. Barker requested that the work be assigned to the Market Implementation Committee, and there were no objections to this assignment. Dr. Joe Bowring requested that Three Pivotal Supplier Test results be added to the scope, and there were no objections to this being added to the scope as a friendly amendment. Mr. Fitch noted that proposed Manual revisions had been posted with the materials for the meeting, and requested clarification that the action requested at this meeting was limited to approval of the problem statement and issue charge. Mr. Kormos provided that confirmation. Mr. Bleiweis proposed a friendly amendment to increase the scope to include a generalized review of confidentiality provisions. This was not considered friendly. Following discussion the proposed problem statement and issue charge (as amended to include the Three Pivotal Supplier Test results) were **approved** by acclamation with no objections and one abstention.

8. Regulation Market Issues (11:40-12:00)

Dr. Joe Bowring, Monitoring Analytics, will present a proposed problem statement and issue charge related to Regulation Market Issues, and noted that the issue should be assigned to a new senior task force reporting to the MRC. Following discussion the proposed problem statement and issue charge

were **approved** in a sector-weighted vote with 3.29 in favor (note that the threshold for approval of proposed problem statements and issue charges is 2.50).

9. Markets Related Governing Document Updates (12:45-1:00)

Ms. Jacqui Huges presented a proposed problem statement and issue charge regarding markets related governing document updates. Mr. Dave Anders suggested that the scope be assigned to the Tariff Harmonization Senior Task Force (THSTF), and that the THSTF be converted to a subcommittee reporting to the MRC. There were no objections to this assignment. Following discussion, the proposed problem statement and issue charge were **approved** by acclamation with no objections or abstentions.

10. FTR/ARR Senior Task Force (1:00-1:15)

Mr. Steve Lieberman, ODEC, moved and Mr. John Rohrbach seconded a proposal related to solutions developed but not endorsed by the FTRSTF. Following discussion the motion **failed** in a sector-weighted vote with 2.95 in favor. Mr. Carl Johnson moved and Mr. Jim Jablonski seconded that the FTRSTF be sunset. The motion was **approved** by acclamation with no objections or abstentions.

11. Tariff Harmonization Senior Task Force (1:15-1:30)

Ms. Janell Fabiano presented proposed Operating Agreement and Reliability Assurance agreement revisions developed by the THSTF. Following discussion, the proposed revisions were **endorsed** by acclamation with no objections or abstentions.

12. Tariff Harmonization Senior Task Force (THSTF) (1:30-1:45)

Ms. Janell Fabiano presented additional proposed Operating Agreement and Reliability Assurance agreement revisions developed by the THSTF. Mr. Mike Kormos requested that the MRC endorse these proposed revisions at their first reading; there was no objection. Following discussion, the proposed revisions were **endorsed** by acclamation with no objections or abstentions.

First Readings (11:30-3:45)

13. External Capacity Transfer Rights (1:45-2:00)

Ms. Jen Tribulski, PJM, and Mr. Troy Fodor, Illinois Municipal Electric Agency, presented a proposal to address the Capacity Rights Issue Charge. The Committee will be asked to endorse the proposal at its next meeting.

14. Transparency of Operational Changes (2:20-2:35)

Ms. Lisa Morelli discussed a proposal regarding the Transparency of Operational Changes. The Committee will be asked to endorse the associated manual revisions at its next meeting.

15. Markets Gateway (3:25-3:40)

Ms. Carla Thew and Mr. Steve Shparber discussed the evolution of eMkt to Markets Gateway, and Mr. Steve Shparber will present associated proposed Tariff revisions. The Committee will be asked to endorse the proposed revisions at a future meeting.

16. PJM Manuals (3:40-4:00)

A. Mr. D'Antonio reviewed changes to Manual 37: Reliability Coordination. The Committee will be asked to endorse these proposed revisions at its next meeting.

Future Agenda Items (4:00)

No new future agenda items were identified.

Future Meeting Dates

August 27, 2015	9:00 a.m.	Wilmington, DE
October 1, 2015	9:00 a.m.	PJM Conference & Training Center, Audubon, PA
October 22, 2015	9:00 a.m.	Wilmington, DE
November 19, 2015	9:00 a.m.	Wilmington, DE
December 17, 2015	9:00 a.m.	Wilmington, DE

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