



MEETING NOTICE
PJM Transmission Owners Agreement
Administrative Committee (TOA-AC) Eighty Seventh Meeting

Thursday, April 1, 2010
9:30 AM – 3:00 PM Eastern Time
Pier V Hotel
711 Eastern Avenue
Baltimore, MD

Conference Call Info: Raj Rana, Leader

Dial In Number: 1-866-469-3239

Participant Code: 18052471

WebEx Pass Code: toaac0401pjm

<http://pjm.webex.com>

AGENDA

Name	Representing	Attending	On Phone
Rana, Raj	AEP	X	
Rowtham-Kennedy, Monique	AEP		X
Kaminski, Vincent	Allegheny Electric Cooperative, Inc.		X
Mattiuz, Bob	Allegheny Power/TrAILCo	X	
Palmer, Randall	Allegheny Power/TrAILCo		
Rostock, John	Allegheny Power/TrAILCo		X
Bourquin, Ralph	Baltimore Gas and Electric Company	X	
Bloom, David	Baltimore Gas and Electric Company		
Guy, Gary	Baltimore Gas and Electric Company	X	
Harman, Stacey	Baltimore Gas and Electric Company		X
Shamash, Hertzell	Dayton Power & Light Company (The)	X	
Herd, Michael	Dayton Power & Light Company (The)		
Sullivan, Megan	Duquesne Light Company		X
Bustard, John	Exelon	X	
Stern, David	Exelon		X
Richardson, Frank	Exelon		
Dworetzky, Jean	Exelon	X	
Alvarex, Mary Ann	Exelon		
Naumann, Steve	Exelon		X
Bainbridge, Thomas	FirstEnergy Solutions Corp.	X	
Farley, Brian	FirstEnergy Solutions Corp.		
Miller, Donald	FirstEnergy Solutions Corp.	X	
Parke, Morgan	FirstEnergy Solutions Corp.		
Fuerst, Gary	FirstEnergy Solutions Corp.		X

TOA-AC Meeting Agenda of April 1, 2010

Page 2

Name	Representing	Attending	On Phone
Walsh, Daniel	Linden	X	
Broder, James	Neptune Regional Transmission System, LLC		
Tatum, Ed	Old Dominion Electric Cooperative		
Scarpignato, David	Old Dominion Electric Cooperative		
Parikh, Lopa	Old Dominion Electric Cooperative		X
Messick, Tsion	PHI	X	
Blauman, Amy	PHI		
Glatz, Suzanne	PPL Electric Utilities Corporation d/b/a PPL Utilities	X	
Russell, Paul	PPL Electric Utilities Corporation d/b/a PPL Utilities		X
Napoli, Paul	Public Service Electric & Gas Company		
Jodi Moskowitz	Public Service Electric & Gas Company		
Marinelli, Richard	Public Service Electric & Gas Company	X	
McGoldrick, Peter	Rockland Electric Company	X	
Ramlatchan, Deepak	Rockland Electric Company		X
Gill, Richard	UGI Utilities, Inc.	X	
McGuire, Bob	Virginia Electric & Power Company	X	
Connelly, David	Virginia Electric & Power Company	X	
Payne, Harold	Virginia Electric & Power Company		X
Singer, Russell	Virginia Electric & Power Company		X
Herling, Steven	PJM	X	
Pincus, Steve	PJM	X	
Bowe, Tom	PJM		
Hendrzak, Chantal	PJM	X	
Glazer, Craig	PJM		
Craig Taborsky	Maryland Commission Staff	X	

1. Administrative Items

- A. Confirm quorum – quorum confirmed
- B. Approve Minutes of the March 4, 2010 Meeting – note Ellis attended on phone; minutes approved

2. WG Group update

- A. Smart Grid WG – Synchronphasor project update – (Hendrzak) – DOE reviewed the final draft and provided comments, which are being incorporated. PJM expects to finalize and sign all administrative applications within the next two weeks. PJM is working on drafting an acceptance letter which has a handful of issues to clarify (Davis Bacon, Property Encumbrance, Buy American Tax Treatment, etc.). Also working on Property Encumbrance letters. Several participating TOs have expressed concerns about NDA. Question: if a TO or two drops out will the grant still stay the same and will dollars be reallocated? Chantal responded that this aspect would have to be discussed with the DOE. Question: do TOs consider phasor measurement units (PMU) and phasor data concentrators (PDC) critical cyber assets (CCA)? Some TOs have elected to treat these assets as CCAs, but PJM is not changing its treatment. Mr.

TOA-AC Meeting Agenda of April 1, 2010

Page 3

Mattiuz indicated that although Allegheny Power does not believe the PMUs and PDCs are CCAs, AP is treating these assets as though they will become CCAs in light of the FERC Order involving PG&E. EEI and PJM sent letter to FERC recommending that this information should not be considered critical in response to the PG&E order. NASP is treating data as CEII. Question is once NDA is signed whether they will have to treat data as CEII. Status could affect scope of project. Mr. Naumann (Exelon) pointed out that FERC may designate it as all CEII under the NIST initiative.

- 3. ERCOT RTO/TO joint registration for TOP function** – Mr. Huerta of AEP provided an overview of the co-registration arrangement that ERCOT and its TOs worked out via a coordinated functional registration (CFR) agreement. This agreement facilitated a formal understanding of the responsibilities among the ERCOT Transmission Owners and ERCOT RTO related to the NERC standards and requirements that pertain to the registered Transmission Operator.
- 4. Frequency excursion event in PJM** – Mr. Koza updated the Committee regarding the recent frequency excursion event that PJM experienced on March 18. On this day, around 7 AM, there was a steep morning load pick up at a rate of 2000 MW for a 15 minute period. Apparently PJM did not have adequate generation reserve scheduled to respond to such a steep load pick up and was falling behind by 500+ MW. As a result, the frequency in the PJM control area dipped to 59.91 Hz. PJM operators reached out to NPCC for help under the reserve sharing agreement. As a result, PJM was able to recover the frequency back to 60 Hz in about six minutes. PJM is conducting a full root cause analysis and developing an action plan to prevent such an occurrence in the future. PJM will share the results of this analysis.
- 5. RTEP “Bright Line” test criteria** – Mr. Herling presented the need to revise the existing “bright line” test criteria used by the current RTEP process and to implement additional planning criteria that would be required to plan for public policy initiatives such as renewable resource integration, demand response programs, state RPS mandates, or other environmental initiatives. The existing reliability planning criteria utilizes a prescriptive set of assumptions that do not directly reflect the wide range of factors and benefits that can impact the need and timing for transmission additions. This limits PJM’s ability to develop optimum solutions to address potential problems. Recently, based on the existing RTEP criteria and procedures, the timing and need for baseline projects has been whipsawed back and forth, which has limited PJM’s ability to develop the most reliable, cost effective solutions. PJM staff and the Board believes that a more holistic approach that incorporates a broader range of assumptions and input parameters including but not limited to public policy initiatives around renewable generation, demand response, energy efficiency, environmental factors as well as “at risk” generation should be included in the RTEP process. Therefore the Board has asked the Members to evaluate any changes required to effectuate such an approach. Mr. Herling indicated that PJM will make a proposal at the next MRC meeting to form a stakeholder WG to address this issue.

TOA-AC Meeting Agenda of April 1, 2010

Page 4

- 6. MISO Injection/Withdrawal Transmission Pricing Method Update** - Mr. Fuerst (FE) updated the Committee on the injection/withdrawal transmission pricing method being considered by MISO stakeholders. There are two proposals being discussed: the MISO proposal and the TOs' proposal, which are relatively similar but with some differences in the areas of which projects should be included in this proposal (all or some), cost allocation, who pays and how much?
- 7. PJM RTEP Update** Mr. Herling indicated that PJM is in the process of developing a list of factors, such as at-risk generation, load forecast, demand response/energy efficiency magnitude, RPS mandates, and environmental factors for use as input in conducting sensitivity studies for the planned mega projects. This list will be discussed at the next TEAC meeting.
- 8. PJM/Board Liaison Meeting Update** - Mr. Tatum (Old Dominion) updated the Committee on the following items that were discussed at the PJM/Board Liaison meeting held on March 24, 2010: i) Transmission cost allocation and the need to review the bright line test in the current RTEP process, ii) Information transparency, iii) Reliability in the carbon constrained world, iv) wholesale/retail interface, and potential topics of discussion at the General Session to be scheduled at the next PJM annual meeting.
- 9. PJM Finance Committee Meeting update** – Mr. Rana reported that the FERC-approved stated rate agreement with PJM will complete five years. Before, this fifth anniversary, the Finance committee needs to decide whether or not to revise the existing stated rate structure. At the next Finance committee meeting to be held during the PJM annual meeting, PJM will provide historical data on the refunds made for the last five years, as well as the projections of refunds for the next five years in order to decide if there is a need to modify the current rate structure to minimize the refunds going forward. The TOs' input will be sought in this regard after sharing the refund data that PJM will make available at the next Finance committee meeting.
- 10. Other business** - Mr. Bainbridge reported that Exelon, PHI, and PSEG are participating on behalf of the PJM TOs in the EEI initiative to develop a process to select TOs for the EIPC's stakeholder steering committee.
- 11. Schedule for this year's meetings**

 - May 6, 2010 – PJM Annual Meeting Place – Greenbrier, WV
 - July 15, 2010 – Baltimore (Pier V)
 - August 19, 2010 – Baltimore (Pier V)
 - October 14, 2010 – Baltimore (Pier V)
 - December 1, 2010 – Baltimore (Pier V)