



Draft MINUTES
Cost Development Subcommittee (280th meeting)
PJM CTC
March 4, 2013 10:00AM

Members in Attendance:

Schmitt, Jeff (Chair)	PJM Interconnection	Not Applicable
Brodbeck, John	Potomac Electric Power Company	Electric Distributor
Walter, Laura (Secretary)	PJM Interconnection	Not Applicable

Also in Attendance:

Pratzon, David	GT Power Group	Not Applicable
Dugan, William	Monitoring Analytics, LLC	Not Applicable
Hauske, Thomas	PJM Interconnection	Not Applicable
Puchyr, Lindsey	PJM Interconnection	Not Applicable
Zadlo, Thomas	PJM Interconnection	Not Applicable

Via WebEx or Teleconference:

Celestine, Kizi	Appalachian Power Company (AEP Generation)	Transmission Owner
Shannon, Gary	Appalachian Power Company (AEP Generation)	Transmission Owner
Berlinski, Michael	Beacon Power LLC	Other Supplier
Filomena, Guy	Customized Energy Solutions, Ltd.*	Not Applicable
Horstmann, John	Dayton Power & Light Company (The)	Transmission Owner
Fitch, Neal	GenOn Energy Management, LLC	Generation Owner
Riding, M.Q.	NAEA Ocean Peaking Power, LLC	Generation Owner
Anders, David	PJM Interconnection	Not Applicable
Eichorn, Sarah	PJM Interconnection	Not Applicable
Miller, Rod	PPL EnergyPlus, L.L.C.	Transmission Owner

1. Administration

Mr. Schmitt, PJM, reviewed the Antitrust, Code of Conduct, Media Participation Policy and roll call.

Minutes from the 279th CDS held on February 8, 2013 and the Agenda will be endorsed at next CDS meeting.

This is Laura Walter's last CDS as secretary.

2. Regulation Market Cost-Based Offers [Issue Tracking](#)

Ms. Walter, PJM, reviewed the CDS poll results with regards to the placement of Cost Increase due to Heat Rate Increase during non steady operation component in the Performance or Capability cost offer. The poll showed a preference for placement in the Performance offer. A vote was taken to determine the package that will move forward to the MRC. The package that included the Cost Increase due to Heat Rate Increase during non steady



operation in the Performance offer had 31 Votes in Favor, 15 Against, while the package that included Cost Increase due to Heat Rate Increase during non steady operation in the Capability offer had 28 Votes in Favor and 27 Against, with 4 Abstentions. The package that placed the component in the Performance offer will move forward. Participants also discussed relocating a portion of the Margin Adder from the Capability Offer to the Performance Offer. Discussion around which offer the margin adder should be included in will be postponed pending clarity from FERC on the current Regulation filing.

Mr. Hauske, PJM, reviewed proposed manual language. A revised version of the manual language will be discussed for final approval at the next CDS.

3. Cyclic Starting & Peaking Factors [Issue Tracking](#)

Mr. Hauske, PJM, reviewed the revised matrix and a calculation example. Four options for cyclic peaking factors were presented during the meeting. PJM will develop examples to quantify impacts under each option. We will try to gain consensus at the next CDS. The four options were as follows:

- 1) Remove cyclic starting and peaking factors from Manual 15.
- 2) Keep cyclic starting and peaking factors in Manual 15 and apply them only to maintenance outside of overhauls.
- 3) Consider the incremental impact on overhaul frequency without cyclic starting and peaking factors.
- 4) Consider administrative methods such as limitation on starts and emergency MW to handle cyclic cost.

4. Future meeting dates

Monday, April 1, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, May 6, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, June 3, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, July 15, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, September 9, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, October 7, 2013	10:00 am until 3:00 pm	PJM CTC
Monday, November 4, 2013	10:00 am until 3:00 pm	PJM CTC

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Anti-trust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.



Public Meetings/Media Participation:

Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. PJM Members are also not allowed to create audio, video or online recordings of PJM meetings