



**DRAFT MINUTES**  
**PJM MARKET IMPLEMENTATION COMMITTEE**  
**PJM CONFERENCE & TRAINING CENTER**  
**NORRISTOWN, PA**  
**JANUARY 8, 2014**  
**9:30 AM**

**1. ADMINISTRATION**

The Committee approved the amended Agenda and the minutes of the December 12, 2013 MIC meeting. Mr. Gary Helm, PJM, presented an update on gas-electric coordination related to the cold weather in January and FERC Order 787. PJM filed two temporary waivers one January 4 – January 10 and another for a longer period, January 11 – March 31, to allow PJM to communicate non-public operational information with interstate gas pipelines. These waivers are to bridge the gap until a more permanent solution is in place.

**COLD WEATHER UPDATE**

Mr. Adam Keech, PJM, presented a cold weather update for January 7, 2014.

[Item 1E – Cold Weather Update](#)

**2. GENERATOR SEASONAL VERIFICATION TESTS**

This item was delayed until February.

**3. FINANCIAL AND NODE LIMITATION ON UP-TO CONGESTION TRANSACTIONS PROBLEM STATEMENT**

Ms. Noha Sidhom, Inertia Power LP, presented an issue charge regarding limitations on up-to congestion transactions. **The committee endorsed the issue charge with 84 in favor, 36 against and 58 abstentions (70% approval).**

**4. EMERGENCY ANNUAL DEMAND RESPONSE MAINTENANCE OUTAGE REPORTING PROCESS ISSUE CHARGE**

Mr. Pete Langbein, PJM, requested approval for the Demand Response Subcommittee to work on a clarification of the business rules that conform with the Tariff to implement a process for Curtailment Service Providers reported Annual Demand Response Maintenance outages. **The committee endorsed the issue charge by acclamation with 4 abstentions and 0 objections.**

**5. PROPOSED DEMAND RESPONSE PRODUCT SUBSTITUTION CLARIFICATION**

Mr. Pete Langbein presented a first read of proposed Manual language changes to clarify Tariff provisions that allow demand response capacity product substitution during a product specific emergency demand response dispatch. **The committee endorsed the manual language with 16 abstentions and 0 objections.**

[Item 5F - Discussion of PJM Tariff Requirements for Economic Demand Response](#)

**6. ECONOMIC DEMAND RESPONSE SETTLEMENTS IN ENERGY MARKET FOR NORMAL OPERATIONS**

Mr. Pete Langbein presented a first read of proposed Manual language changes from the Demand Response Subcommittee to clarify Tariff provisions regarding Economic Demand Response settlements in energy market for load reductions that occur as part of normal operations. These changes were approved at the DRS on a consensus basis with 1 abstention. Some stakeholders expressed concern that proposed Manual Revisions were not consistent



with the FERC's Final Order 745 and that economic DR payments should be made to customers that reduce load regardless of participation in a PJM wholesale market resource. PJM explained that the proposed manual language changes are consistent with PJM interpretation of the tariff that economic DR should provide a net benefit to the system and be in response to PJM dispatch instruction. Further, that customer with existing activity may qualify for economic DR settlements if there is a baseline that will appropriately quantify the activity. PJM has been actively working with members on more dynamic baselines that quantify the appropriate load reductions. The committee will be asked to endorse the Manual language at the February meeting.

**7. CALCULATION OF IARRS FOR RTEP UPGRADES**

Mr. Tim Horger, PJM, presented information of calculation of Incremental Auction Revenue Rights (IARR) for Regional Transmission Expansion Planning (RTEP) upgrades.

**8. PRICE SETTING CHANGES**

Mr. Adam Keech, PJM, presented possible price setting changes being discussed at the Energy Market Uplift Senior Task Force and an update on reactive charges. There was an error beginning in August 2013 that caused extra payments to be made to units committed for reactive service in day-ahead. The error will be corrected starting January 2014 for the time period August – December 2013. Current estimates are that the correction is between \$25M and \$30M. Also, PJM is providing notice that a new SENECA Interface has been created and effective on February 1, 2014.

**9. TECHNICAL ANALYSIS OF THE SEPTEMBER 2013 HEAT WAVE**

Mr. Adam Keech and Mr. Joe Callis, PJM, reviewed the report issued December 23, 2013 analyzing operations and markets during the September 2013 Heat Wave and answered stakeholder questions. The report included 22 recommendations for PJM and PJM members.

[Item 9B – Heat Wave Presentation](#)

## INFORMATIONAL SECTION

**10. BGE SPS REMOVAL**

For informational purposes the Removal of Brandon Shores – Riverside Special Protection Scheme in the BGE zone has been posted.

[Item 10A – BGE SPS Removal](#)

**11. INTERREGIONAL COORDINATION**

For informational purposes an update on interregional coordination efforts will be posted when available.

[Item 11A - Interregional Market Update](#)

*[Issue Tracking: Efficiency of PJM/MISO Real Time Interchange](#)*

**12. DRAFT PJM/MISO BIENNIAL JOA REVIEW**

For informational purposes the draft PJM/MISO Biennial JOA Review has been posted.

[Item 12A - Draft PJM/MISO Biennial JOA Review](#)

**13. REPORT ON MARKET OPERATIONS**

The *Report on Market Operations* will be posted to the [MIC Website](#).



#### 14. MIC WORKING SESSION UPDATES

Energy Scheduling Issue

The next meeting is scheduled for January 15, 2014. Meeting materials will be posted to the MIC web site.

PJM Renewable Integration Study (PRIS)

A MIC working session will be held in January 2014. Meeting materials will be posted to the MIC web site.

Frequently Mitigated Units & RPM Supply Curve Transparency

A MIC working session was held on December 4, 2013.

[20131205 FMU and RPM Supply Curve Agenda](#)

The next meeting is scheduled for January 27, 2014. Meeting materials will be posted to the MIC web site.

FTR Forfeiture

The first MIC working session will be held on January 28, 2014. Meeting materials will be posted to the MIC web site.

Energy/Reserve Pricing & Interchange Volatility

The first MIC working session will be held on January 15, 2014. Meeting materials will be posted to the MIC web site.

#### 15. SUBCOMMITTEE AND TASK FORCE UPDATES

Credit Subcommittee (CS)

The CS met on December 6, 2013. Meeting materials are available at:

[20131206 CS Agenda](#)

There are no future meetings scheduled at this time. When scheduled, meeting materials will be posted to the CS website.

Demand Response Subcommittee (DRS)

The DRS met on December 10, 2013. Meeting materials are available at:

[20131210 DRS Agenda](#)

The next meeting is scheduled for January 21, 2014. Meeting materials will be posted to the DRS web site.

Intermittent Resources Task Force (IRTF)

The next meeting is scheduled for January 22, 2014. Meeting materials will be posted to the IRTF web site.

Market Settlements Subcommittee (MSS)

The MSS met on December 13, 2013. Meeting materials are available at:

[20131023 MSS Minutes](#)

The next meeting is scheduled for January 21, 2014. Meeting materials will be posted to the MSS web site.

#### 16. FUTURE MEETING DATES

February 5, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
March 5, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA



April 9, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
May 7, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
June 4, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
July 9, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
August 6, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
September 3, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
October 8, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
November 5, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA
December 3, 2014	9:30 AM	PJM Interconnection - Valley Forge, PA