



Markets and Reliability Committee Report
PJM Interconnection
Members Committee Webinar
October 27, 2014

The Markets and Reliability Committee (MRC) met on September 18, 2014. The following topics were discussed at the meeting:

Topics for Endorsement

A) PJM Manuals

1. Mr. Olaley presented proposed revisions to Manual 11: Energy & Ancillary Services Market Operations and Manual 15: Cost Development Guidelines relating to the Regulation Performance Cost Equation.
2. Mr. Berner presented proposed revisions to Manual 14A: Generation and Transmission Interconnection Process regarding interim deliverability studies.
3. Mr. Schweizer reviewed changes to Manual 14D: Generator Operational Requirements.

Following discussion, the proposed revisions in items 2.A through 2.D were endorsed by acclamation with no objections and one abstention.

B) FTR/ARR Senior Task Force (FTRSTF) Problem Statement, Issue Charge and Charter

Mr. Anders discussed proposed updates to the FTRSTF problem statement, issue charge and charter developed by the FTRSTF. Dr. Singh proposed a friendly amendment to strike from the proposed revision to the Problem Statement the following sentence: "With FTR underfunding that has occurred over the last several years, FTRs no longer perform the function of an effective hedge against congestion in the Day-Ahead market." There was no objection to this proposed friendly amendment, and therefore it was incorporated into the main motion. Following discussion, the amended proposed revisions were approved by acclamation with no objections and one abstention.

C) Credit Subcommittee Items

1. Ms. Daugherty presented proposed Tariff revisions regarding Annual Officer Certification Submission changes.
2. Ms. Daugherty presented proposed Tariff revisions regarding PMA Adjustment for Virtual and Export Transactions.
3. Ms. Daugherty presented proposed Tariff revisions regarding reduced credit requirement calculation interval for Virtual and Export Transactions.
4. Ms. Daugherty presented proposed Tariff and Operating Agreement (OA) revisions regarding Demand Bid Volume Limits.

Following discussion, the proposed revisions were endorsed by acclamation with one objection to item 3.D and no abstentions.

D) Cap Review Senior Task Force (CRSTF)

1. Ms. Ford discussed proposed OA revisions associated with energy market offer caps developed by the CRSTF known as Package B. Following discussion, the main motion failed in a sector-weighted vote with 2.08 in favor. Mr. Tatum moved and Mr. Rohrbach seconded Package A. Following discussion, this alternative motion failed in a sector-weighted vote with 3.05 in favor.



Mr. O'Connell moved and Mr. Borgatti seconded Package B points 1, 3 and 4 (the cost-based offer portions of the proposal). Mr. Scarpignato proposed a friendly amendment related to price-based offers, but this was not accepted by the proposers. Following discussion, this second alternative motion failed in a sector-weighted vote with 2.13 in favor.

2. Ms. Ford reviewed the CRSTF charter, indicating that the work of the group was completed, even though no package solution reached consensus. Mr. Tatum requested that the CRSTF work to identify a package solution that could achieve MRC and Members Committee endorsement at their October meetings. Ms. Ford agreed that the CRSTF would continue its work on this basis, and there was no objection to this course of action.

E) Capacity Senior Task Force (CSTF)

1. Mr. Langbein presented proposed transition mechanism to allow curtailment service providers that are no longer able to deliver amounts of demand response previously cleared in PJM's capacity auctions to be relieved of part, or all of, their obligation and have their capacity payments commensurately reduced accordingly, in compliance with FERC order ER14-822. Following discussion, the proposed revisions were endorsed by acclamation with no objections and two abstentions. Mr. Campbell requested that the MRC endorse proposing that the MC vote on this issue at its meeting on September 18, 2014. There were no objections to this proposal.
2. Ms. Ford reviewed the CSTF charter. Following discussion, the committee approved sunsetting the CSTF by acclamation with no objections and one abstention.

F) RPM: Capacity Import Limits – CTRs and ICTRs

This item was deferred to a future meeting.

G) Transparency of TO Calculations

Mr. Anders discussed resolution and proposed closure of this issue, including posting of an inventory of related TO calculation methodology. Following discussion, the committee approved closure of the issue by acclamation with no objections or abstentions.

First Readings

H) Energy / Reserve Pricing & Interchange Volatility update

Ms. Morelli provided an update and presented proposals regarding the energy and reserve pricing & interchange volatility special sessions of the Market Implementation Committee. The committee may be asked to endorse these proposals at its next meeting.

I) Transmission Owner (TO) Data Feed

Mr. Schweizer presented the solution package for the TO Data Feed issue, including proposed manual and OA revisions. The committee will be asked to endorse the solution package and associated manual and OA at its next meeting.

J) Cold Weather Resource Improvement

Ms. Reiter presented the proposed solution package and related proposed manual revisions regarding the Cold Weather Resource Improvement issue. The committee will be asked to endorse the proposed solution package and manual revisions at its next meeting.

K) Preliminary 2014 IRM Study Results

Mr. Falin reviewed the preliminary 2014 IRM Study results. The committee will be asked to endorse the recommended IRM related parameters at its next meeting.



- L) Reactive Supply and Voltage Control Service from Deactivating Resources
Mr. Burlew presented proposed Tariff Schedule 2 revisions related to reactive supply and voltage control service from deactivating resources. A forum for additional stakeholder discussion will be identified to perfect the proposed Tariff revisions. The committee will be asked to endorse proposed revisions at a future meeting.

- M) Tier 1 Capability
Mr. Olaley presented proposed revisions to Manual 11: Energy & Ancillary Services Market Operations and Manual 28: Operating Agreement Accounting regarding the applicability for Tier 1 Capability compensation. The committee will be asked to endorse these revisions at its next meeting.

- N) PJM Manuals
 1. Mr. Boyle presented proposed revisions to Manual 01: Control Center and Data Exchange Requirements regarding COM-002-4 Operator Communications. The committee will be asked to endorse these revisions at its next meeting.
 2. Ms. Shea presented proposed revisions to Manual 14A: Generation and Transmission Interconnection Process regarding the small generator interconnection process. The committee will be asked to endorse these revisions at its next meeting.
 3. Mr. Reynolds presented proposed revisions to Manual 19: Load Forecasting and Analysis regarding clarifying the current load forecast adjustment process. The committee will be asked to endorse these revisions at its next meeting.
 4. Mr. Langbein will present proposed revisions to Manual 18: PJM Capacity Market regarding the annual demand response maintenance outage reporting process. The committee will be asked to endorse these revisions at its next meeting.
 5. Mr. Tam discussed administrative revisions to Manual 03: Transmission Operations related to creating public and non-public versions of Manual 03 to protect Critical Energy Infrastructure Information.

- O) Gas Unit Commitment
Ms. Hendrzak discussed a proposal developed in special sessions for the Operating Committee regarding Gas unit Commitment. The committee will be asked to endorse the proposal at its next meeting.

The next MRC meeting is scheduled for October 30, 2014 at the Chase Center on the Riverfront in Wilmington, DE.

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