

# Meeting Notes PJM Interconnection

## Cost Development Subcommittee (274th Meeting)

# PJM Conference & Training Center Monday August 13, 2012

## 10:00 AM

#### **Members in Attendance**

Schmitt, Jeffrey (Chair) PJM Interconnection, LLC Not Applicable Gomez, Luis Exelon Generation Co., LLC (Power Team) **Transmission Owner** Potomac Electric Power Company Brodbeck, John **Electric Distributor** Scoglietti, Barbara Tangent Energy Solutions, Inc. Other Supplier Walter, Laura (Secretary) PJM Interconnection, LLC Not Applicable Hauske, Thomas (SME) PJM Interconnection, LLC Not Applicable

#### Also in Attendance

Dugan, William	Monitoring Analytics, LLC	Not Applicable
Covino, Susan	PJM Interconnection, LLC	Not Applicable
Ford, Adrien	PJM Interconnection, LLC	Not Applicable
Gerber, Rebecca	PJM Interconnection, LLC	Not Applicable
Ogburn, Ruston	PJM Interconnection, LLC	Not Applicable
Zadlo, Thomas	PJM Interconnection, LLC	Not Applicable

#### Attended via WebEx / Teleconference

Ondayko, Brock	AEP	Transmission Owner
Hoag, Richard	Allegheny Power (Warrior Run)	Not Applicable
DeMoen, Susan	Appalachian Power Company (AEP Generation)	Transmission Owner
Gilani, Rehan	ConEdison Energy, Inc.	Other Supplier
Filomena, Guy	Customized Energy Solutions, Ltd.*	Not Applicable
Horstmann, John	Dayton Power & Light Company (The)	Transmission Owner
Wilmoth, Emily	Dominion Virginia Power	Not Applicable
Consoli, Dannine	Energy Curtailment Specialists, Inc.	Other Supplier
Griffiths, Daniel	Enerwise Global Technologies, Inc.	Other Supplier
Stadelmeyer, Rebecca	Exelon Generation Co., LLC	Transmission Owner
Palcic, Ronald	FirstEnergy Solutions Corp.	Transmission Owner
Siegrist, Hal	GenOn Energy Management, LLC	Generation Owner
Pratzon, David	GT Power Group	Not Applicable
Seymour, Melissa	IBERDROLA RENEWABLES, Inc.	Generation Owner
Mabry, David	McNees Wallace & Nurick LLC	Not Applicable
Freeman, Al	Michigan Public Service Commission	Not Applicable
Vinder, Jerry	PEPCO Energy Services, Inc.	Electric Distributor
Shadle, David	Power Advance	Other Supplier
Sandherr, Robert	PPL EnergyPlus, L.L.C.	Transmission Owner
Lopez, Johny	Public Service Electric & Gas Company	Transmission Owner
Slade, Louis	Virginia Electric and Power Company	Transmission Owner

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#### 1. ADMINISTRATION

Mr. Schmitt reviewed the Antitrust, Code of Conduct, Media Participation Policy and Roll Call.

CDS endorsed the minutes from the 273rd CDS held on June 11, 2012.

CDS endorsed the Agenda for the 274th CDS.

#### 2. CDS UPDATE

Mr. Schmitt updated CDS on the status of Immature Units and CT & CC Overhaul Cost Recovery that was approved at the last Markets and Reliability and will be taken to the PJM Board on October 16, 2012.

### 3. DEMAND RESPONSE (DR) SHUTDOWN COSTS: ISSUE TRACKING

Mr. Hauske, PJM, reviewed educational materials explaining how resources are selected in the current synchronous reserve market and how startup and shutdown costs are used in dispatch and settlements. Ms. Covino, PJM, reviewed educational materials related to dispatch, settlement and shutdown cost for DSR in the Synchronous Reserve and Energy market. CDS began interest identification.

#### 4. WIND COST OFFERS: UNITS NOT ADDRESSED IN MANUAL 15: ISSUE TRACKING

Ms. Gerber, PJM, gave an educational presentation on how wind is dispatched in PJM. Mr. Zadlo, PJM reviewed his white paper on how wind has never been cost capped and is highly unlikely to happen. Mr. Ma, PJM, reviewed new LOC calculations for wind. Mr. Hauske, PJM presented how negative costs are used for waste energy unit.

CDS discussed the educational documents and determined that no other information is needed. There was some confusion of the different CDS will continue to discuss solution packages developed at the last meeting; PJM staff will reformat the three packages for better clarity and understanding.

## 5. REGULATION PERFORMANCE SENIOR TASK FORCE (RPSTF) REPORT

Mr. Ogburn, PJM, asked to incorporate variable costs for Performance Based Regulation into Manual 15. CDS requested that the Market Monitor present the issue at a future Cost Development Subcommittee.

## 6. CYCLIC PEAKING FACTORS: ISSUE TRACKING

PJM and the MMU recommended that cyclic peaking and starting factors should be deleted from the manual as of June 1, 2015. A few members of CDS objected to this so PJM will return with an updated educational document to include Peaking and Starting Factors for new units, Original Equipment Manufacturer (OEM) recommendations, Long Term Service Agreement (LTSA) values and a numerical example on how starting and peaking factors can impact the cost offer.

#### 7. FUTURE TOPICS

Coordinating the pending Manual 15 language for units not included in Manual 15 related to storage with the Performance Based Regulation Senior Task Force initiative.

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#### 8. FUTURE MEETINGS

Monday, September 10, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, October 15, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, November 5, 2012	10:00 am until 3:00 pm	PJM CTC

#### 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.

Author: Laura Walter Typist: Laura Walter

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