



PJM Interconnection, LLC
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Dear Members,

As you may be aware, the PJM Board has agreed to conduct closed session meetings between representatives of the PJM Board and each individual sector in an effort to foster elevated and strategic communications. To this end, at 1:00 p.m. on November 5, 2020, independent PJM Board members Ake Almgren, Neil Smith, and Mark Takahashi, as well as President & CEO Manu Asthana met with executive leadership from the Generator Owner Sector, as well as other representatives. See Attachment A (the "Participants").

At the outset of the meeting, PJM's Vice President and General Counsel reminded attendees of the following principles:

1. The meeting is conducted in accordance with PJM Antitrust Policy and Codes of Conduct, including specifically the Addendum to the Board Code of Conduct;
2. The purpose of the meeting is for the Board representatives to listen to comments from the sector;
3. Discussions will be confined to the agenda and remain at a strategic and educational level, and shall not address matters pending before the Board; and
4. The meeting is ex parte and PJM will disclose briefly, by public posting on its website, the agenda and topics discussed promptly following the meeting.

Meeting Agenda Topics and Summary of Discussion:

GO Sector Agenda

1. **Urgent Need to Restart the Capacity Market** - The Participants explained that the fact that PJM has not held a capacity auction since 2018 is creating economic challenges for asset owners, developers, investors, and lenders as resources depend on these revenues to support financing. The Participants discussed the strategic implications of the coverage ratios dropping and investors/lenders losing confidence in the stability of the PJM markets and deploying capital elsewhere. The Participants specifically explained how market uncertainty was impacting all types of resources, including renewables. The Participants explained that such trends will lead to less new entry and decreasing investment in existing facilities, potentially leading to decreased reliability. The Participants expressed concern regarding the ability of PJM and the IMM to efficiently administer the increasingly complicated auctions, including specifically the subsidy and unit specific determinations. The Participants encouraged PJM to continue to support the MOPR and to proceed promptly with conducting auctions after FERC rules on the EAS offset issues.
2. **Maintaining the Value of Competitive Markets** – The Participants reviewed recent regulated generation development failures and cost overruns outside of the PJM region. The Participants encouraged PJM to proactively embrace a role as a thought leader, educator, and advocate for competitive markets towards

developing a durable market-based framework to support resource adequacy, recognized the attributes needed to maintain reliability. The Participants encouraged PJM to advance its strategic objectives such as improving relations with states and evaluating potential alternative resource adequacy constructs, while maintaining market fundamentals. The Board indicated that PJM is undergoing its strategic review to refresh its priorities.

3. Expectations for the Grid of the Future -- The Participants encouraged PJM to clearly articulate its visions of planning the transmission system beyond the reliability needs. The Participants stressed the need for a level playing field and cautioned about planning for only one scenario. The Participants encouraged PJM to experience greater flexibility in adjusting to the changing energy landscape, but stressed the importance of a level playing field. The Participants stressed that the region's markets and interconnection planning processes must not only adjust to continue to facilitate competitive entry, but must also provide a technology-neutral level playing field.

The meeting concluded 1 1/2 hours after its start.

Sincerely,

/s/ Christopher C. O'Hara

Christopher C. O'Hara
VP, General Counsel

Attachment A

Company	Representative	Position
Vistra	Curt Morgan	CEO
Calpine	Thad Hill	CEO
NRG	Chris Moser	COO
LS Power	Paul Segal	CEO
Cogentrix	Matt O'Connor	CEO
Rockland Capital	Jim Maiz	Partner
J-Power	Mark Condon	CEO
Geenex Solar	Georg Veit	CEO
GlidePath	Chris McKissack	CEO