



PJM Interconnection, LLC
2750 Monroe Blvd.
Audubon, PA 19403-2497

Christopher C. O'Hara
SVP, General Counsel
(C): 610-635-3433 (F): 610-666-8211
Christopher.ohara@pjm.com

December 19, 2022

Re: Electric Distributor Sector Meeting

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 4:30 p.m. on Dec. 6, 2022, independent PJM Board members Terry Blackwell, Charles Robinson, Mark Takahashi, and President & CEO Manu Asthana met with executive leadership and other representatives from the Electric Distributor Sector. See Attachment A (the "Participants").

1. At the outset of the meeting, the undersigned, PJM's General Counsel, reminded attendees of the following principles governing the meeting:
2. The meeting is conducted in accordance with PJM's Antitrust Policy and Codes of Conduct, including specifically the Addendum to the Board Code of Conduct;
3. The purpose of the meeting is for the Board representatives to listen to comments from the sector;
4. 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
5. 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:

1. Capacity Reforms – The Participants expressed support for examining capacity accreditation and resource adequacy given the ongoing changes to the regional supply portfolio. However, the Participants expressed concerns regarding the large number and cost of supplemental projects, and expressed concerns regarding the ongoing Effective Load Carrying Capacity (ELCC) – Capacity Interconnection Rights (CIRs) stakeholder proceeding. The Participants voiced objections to any proposal that would place increased cost burdens on transmission customers as PJM looks to define a transition for existing capacity resources to the proposed deliverability test and associated new ELCC methodology and to revise the allotment of CIRs. The Participants further expressed support for a prompt resolution and voting on this matter. The Participants further communicated a desire that PJM not simply pursue resource adequacy by increasing the reserve margin but to carefully examine attributes and products that are necessary to maintain reliability. Accordingly, the Participants expressed support for a holistic approach that would also consider new products and operation requirements.
2. Market Design – The Participants stressed the importance of reliability at least cost and requested a plan to address the clean energy transition using market mechanisms. The Participants expressed concerns regarding the market impacts of the ELCC/CIR issues on the capacity market. The Participants requested that PJM should further endeavor to consider how to send the correct price signals regarding clean energy choices. The Participants requested prompt action on a circuit breaker and expressed concerns regarding the duration and occurrence of scarcity pricing when there is no further supply or demand to respond. Further, the Participants expressed support for PJM working with stakeholders to develop a plan of market reforms focused on the long-term needs of the system to maintain reliable operations at least cost.

3. Independent Market Monitor – The Participants articulated support for the Independent Market Monitor (IMM), including specifically the participation of the IMM in market design discussions. The Participants further noted that the IMM improves transparency and the intellectual rigor of debates. The Participants voiced support for the IMM providing services in the transmission planning area.
4. Transmission Planning – The Participants expressed support for the work that was to be done in the Interconnection Reform Package Senior Task Force and the FERC's recent acceptance of the stakeholder approved package. The Participants then expressed their concerns regarding PJM's limited role in local planning matters. The Participants explained that there is no uniformity in the quality of information being provided by Transmission Owners and that there is not enough information to ensure that the least-cost solution is being pursued. Among the requested initiatives offered by the Participants were: (i) increasing transparency; (ii) more rigorous review of Transmission Owner criteria and solutions; and (iii) improved coordination of local and regional planning. The Participants further noted that the current backlog in the interconnection queue and the Northern Virginia planning concerns regarding load growth and data centers both warrant further review by the PJM Board of the circumstances that gave rise to the concern and any lessons learned.

The meeting concluded approximately 1.5 hours after its start.

Sincerely,

/s/ Christopher C. O'Hara

Christopher C. O'Hara
SVP, General Counsel

Attachment A

Organization	Attendee
Allegheny Electric Cooperative	Todd A. Sallade, VP, Power Supply & Engineering, remote
	Scott Long, Manager, Power Supply, remote
American Municipal Power	Jolene Thompson, President/CEO, remote
	Lynn Horning, Director of PJM Regulatory Affairs, in person
	Lisa McAlister, SVP and General Counsel for Regulatory Affairs, in person
	Steve Lieberman, VP, Transmission and Regulatory Affairs, remote
Borough of Chambersburg	Ron Pezon, Director of Electric Planning and Compliance, remote
Buckeye Power	Craig Grooms, VP, Engineering and Operations, remote
	Kevin Zemanek, AVP, Operations, remote
North Carolina Electric Membership Corporation	Charlie Bayless, General Counsel, in person
	Michael Youth, Associate General Counsel, in person
Northern Virginia Electric Cooperative	Dave Schleicher, President and CEO, remote
	Mike Dailey, VP Energy and Business Development, remote
Old Dominion Electric Cooperative	Marcus Harris, President and CEO, in person
	Chris Cosby, SVP, Power Supply, in person
	Bill Pezalla, VP, Regulatory Affairs, in person
	Mike Cocco, Sr. Director of RTO and Regulatory Affairs, remote
	Adrien Ford, Sr. Director, RTO and Regulatory Affairs, in person
Public Power Association of NJ	Brian Vayda, Executive Director, remote
Southern Maryland Electric Cooperative	John Rohrbach, Exec. Director, Regulatory Strategy, remote
Wellsboro Electric Company	Barney Farnsworth, President/CEO, remote