

PJM Finance Committee
Meeting
March 30, 2016

Administration (1:00-1:10)

1. Reminded participants of anti-trust and meeting guidelines
2. Approved minutes from November 24, 2015 meeting

PJM Staff and Member Company Meeting Participants

First Name	Last Name	Company Name	Sector
Charles	Bayless	North Carolina Electric Membership Corporation	Electric Distributor
James	Benchek	First Energy Solutions Corporation	Transmission Owner
Frank	Czigler	Public Service Electric & Gas Company (T)	Transmission Owner
Dave	Evrard	PA Office of Consumer Advocate	End Use Customer
Kenneth	Foladare	IMG Midstream LLC	Generation Owner
Michele	Greening	Talen Energy Marketing, LLC	Generation Owner
George	Kogut	New York Power Authority	Other Supplier
Katherine	Lacy	Dominion Virginia Power (T)	Electric Distributor
David	Marton	FirstEnergy Solutions Corporation (T)	Transmission Owner
Sharon	Midgely	Exelon Generation Company LLC (T)	Generation Owner
George	Waidelich	Safeway Inc. (T)	End Use Customer
Joel	Yu	Rockland Electric Company	Transmission Owner
Neel	Foster	PJM Interconnection	PJM Board of Managers
Sarah	Rogers	PJM Interconnection (T)	PJM Board of Managers
James	Burlew	PJM Interconnection	
Suzanne	Daugherty	PJM Interconnection	Chairperson
Lisa	Drauschak	PJM Interconnection	
Jim	Snow	PJM Interconnection	Committee Secretary

Non-Member Participants

First Name	Last Name	Company Name
Joseph	Bowring	Monitoring Analytics
Linda	Ficco	Monitoring Analytics
Derek	Hagaman	GT Power Group
Dave	Pratzon	GT Power Group
Susan	Turpen	NERC

Meeting Topics (1:10-2:30)

3. NERC/RFC – Ms. Turpen presented the NERC and RFC budget process and timing of the 2017 budget cycle.
4. Monitoring Analytics (MA) 2015 Financial Results – Dr. Bowring presented a review of MA's 2015 Financial Results.
5. 2015 PJM Financial Statement Review – Ms. Drauschak reviewed highlights from PJM's audited financial statements as of and for the twelve months ended December 31, 2015.
6. Fourth Quarter Financial Review – Mr. Snow reviewed the operating expenses, service category charges, and capital spending for the quarter ended December 31, 2015.
7. Stated Rate Reserve – Ms. Daugherty reviewed current and projected stated rate revenues and the current and projected levels of the stated rate reserve. First quarter 2016 projections indicate the reserve would be approximately \$2 million at the end of second quarter 2016 if the PJM Region experiences normal weather usage and transaction volumes during second quarter 2016. She highlighted the action plan for 2016 for addressing this projected low reserve balance, including a reduction in the 2016 operating expense forecast, ongoing discussions with the Finance Committee on PJM's post-2016 rates, and a potential summer 2016 FERC filing should projections indicate that the stated rate reserve is likely to be depleted prior to updated rates becoming effective. Ms. Daugherty will review the need for this potential "safety net" filing with the PJM Finance Committee on its July 7th conference call.
8. Prospective Stated Rate Review – Ms. Daugherty presented PJM's stated rate history, historical cost drivers, and opened discussion on objectives for the future rate filing. Committee discussion included a review of the action plan for developing a proposal for the Finance Committee and Member Committee consideration of updated Schedule 9 rates. Finance Committee representatives were asked to review the draft objectives with their respective sectors in preparation for the May 17th Finance Committee meeting.

Future Agenda Items

- First Quarter 2016 Financial Review
- 2016 Operating Expense and Capital Spending Forecast
- Preliminary 2017 OPSI Budget
- 2017 – 2026 Expense Projections and Discussion of Prospective Rate Options

Future Meeting Dates

May 17, 2016	10:00 AM	Hyatt Regency - Cambridge, MD
July 7, 2016	2:00 PM	Conference Call
August 24, 2016	12:00 PM	PJM Offices - Valley Forge, PA
September 28, 2016	2:00 PM	Conference Call
October 26, 2016	2:00 PM	Conference Call
November 22, 2016	2:30 PM	Conference Call
March 2017	TBD	Conference Call

Author: James Snow