

PJM Finance Committee
 Conference and Training Center, PJM Campus Valley Forge, Pa
 August 24, 2016
 12:10 p.m. – 2:25 p.m. [Eastern Daylight Savings Time]

Administration (12:10-12:15)

1. Meeting participants were reminded of the anti-trust, code of conduct and meeting guidelines.
2. The July 7, 2016 meeting minutes were approved by the Finance Committee as drafted.

PJM Staff and Member Company Meeting Participants

First Name	Last Name	Company Name	Sector
James	Benchek	First Energy Solutions Corporation	Transmission Owner
Dave	Evrard	PA Office of Consumer Advocate (T)	End Use Customer
Gary	Greiner	PSEG Energy Resources and Trade	Transmission Owner
George	Kogut	New York Power Authority (T)	Other Supplier
Steven	Lieberman	Old Dominion Electric Cooperative	Electric Distributor
Marguerite	Miller	HSBC Technology & Services (T)	Other Supplier
Marjorie	Philips	Direct Energy	Other Supplier
Dave	Pratzon	GT Power Group on behalf of Eastern Generation, LLC	Generation Owner
George	Waidelich	Safeway Inc.	End Use Customer
Neel	Foster	PJM Interconnection (T)	PJM Board of Managers
Sarah	Rogers	PJM Interconnection (T)	PJM Board of Managers
James	Burlew	PJM Interconnection	
Suzanne	Daugherty	PJM Interconnection	Chair
Lisa	Drauschak	PJM Interconnection	
Sandra	Ritchie	PJM Interconnection	
Jim	Snow	PJM Interconnection	Committee Secretary
Stan	Williams	PJM Interconnection	

Non-Member Participants

First Name	Last Name	Company Name
Joseph	Bowring	Monitoring Analytics
Greg	Carmean	OPSI (T)
Linda	Ficco	Monitoring Analytics

Meeting Topics (12:15-2:25)

3. OPSI 2017 Budget – Mr. Carmean presented the proposed 2017 OPSI budget.
4. Monitoring Analytics (MA) 2017 Budget – Dr. Bowring presented the preliminary 2017 MA budget for operating expenses and capital expenditures.
5. 2016 PJM Financial Statement Review – Ms. Drauschak reviewed highlights from PJM's unaudited financial statements as of and for the six months ended June 30, 2016.
6. Second Quarter Financial Review – Mr. Snow reviewed the operating expenses, service category charges, and capital spending for the quarter and six months ended June 30, 2016.
7. 2016 Forecast – Mr. Snow presented the PJM forecasted operating expense and capital expenditures for 2016.
8. Preliminary 2017 Budget – Mr. Snow presented PJM's preliminary 2017 budget for net operating expenses and capital expenditures.
9. 2016-2020 Financial Projections – Mr. Snow reviewed the projected revenues, expenses and capital spending for 2016 through 2020.
10. Prospective Stated Rate Discussion – Ms. Daugherty presented rate options for future Schedule 9 rates including a Finance Committee member representative requested option. She highlighted, and the committee members agreed, that options 1 and 5 should be discarded as neither meets all of the agreed upon objectives. Also, PJM agreed that the projected refunds under option 2 in the first five – seven years were too high compared with other options for option 2 to be considered further.

That narrowed the group to options 3, 3.a. and 4 for further discussion. Ms. Daugherty offered that PJM would be willing to commit to a Finance Committee review of the efficacy of any of these options after the first five years of the revised rates being in effect. Several Finance Committee members expressed a preference for option 3.a. while one Finance Committee member representative requested additional time to determine if his sector would like PJM to model any additional options.

All Finance Committee representatives were asked to provide to PJM any additional requests for rate options to be modeled by September 2, 2016. A Finance Committee discussion via conference call was requested to review any additional rate options identified and to finalize a recommendation to the PJM Board of Managers on PJM's future Stated Rates with such recommendation also to be provided to the Members Committee in advance of the targeted September 29, 2016 Members Committee endorsement vote request. This follow-up Finance Committee conference call is targeted for the second week of September.

Future Agenda Items

- Proposed PJM 2017 PJM Operating and Capital Budgets
- PJM Finance Committee recommendation on the 2017 budget
- Monitoring Analytics Proposed 2017 Budget
- NERC and RFC 2017 Budget

Future Meeting / Conference Call Dates

September 9, 2016	2:00 PM	Conference Call
September 28, 2016	2:00 PM	Conference Call
November 22, 2016	2:30 PM	Conference Call

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Author: James Snow