

July 20, 2015

Re: July 29, 2015 Liaison Committee Final Agenda

Dear PJM Board of Managers:

Thank you for your July 7, 2015 letter responding to the Liaison Committee's ("LC") proposed agenda for the July 29, 2015 meeting. Your input was very constructive in both refining the topics for the agenda, as well as helping to frame the discussions under each topic. In the below finalized agenda you will see slight modifications intended to provide thoroughness and consistency in descriptions and titles.

- 1. Opening Remarks (10 minutes)**
- 2. Energy Market Offer Cap (40 minutes)** – Having addressed this issue with mechanisms such as a FERC waiver and a temporary fix, and being mindful of the need to continue to enhance gas-electric coordination, the members of the LC believe it is appropriate to address this topic broadly, particularly in advance of the upcoming winter. Discussion, including Stakeholder and Board views on related items such as hourly offers, sub-hourly settlements, general perspectives on Day Ahead Market timing, and any other issues related to the scheduling of and timely delivery of natural gas to power plants, should address next steps and final resolutions.
- 3. Order No. 1000 – Beyond Lessons Learned (20 minutes)** – A dialogue of events and lessons learned following the implementation of Order 1000. Discussion, including both stakeholder and Board impressions, will focus on high level perspectives and concentrate on building from lessons learned on future projects.
- 4. Value of Financial Products, Price Formation & Operator Actions (35 Minutes)** – Input from stakeholders and the Board on a broad discussion of benefits and costs of various types of products and transactions including their role, and impact on markets, grid operations, dispatch accuracy, and costs. Discussion should include broad consideration of price formation, market uplift drivers, and impact of stakeholder process on opportunities to accomplish consensus on market uplift cost allocation. Forward thinking consideration of future enhancements to price formation and dispatch, particularly in light of the scheduled implementation of Capacity Performance, will be important to ensure preservation of improvements that have reduced uplift charges.
- 5. Proposed General Session Topic (10 Minutes)** – The members of the LC will introduce and seek input from the Board on a proposed topic for the December General Session. Specifically, panel(s) addressing technological advancements and anticipated impact on the mid and long-term future of the electric grid and markets. Initial thoughts are to seek a panel(s) with experts representing the fields of technology, potential investors in that technology, and political players involved in related policy decisions. The discussion would be centered around what technology is on the horizon, what impacts investor and policymaker decisions in this area, and how this will all impact reliability, resiliency, efficiencies and environmental concerns.
- 6. Closing (5 Minutes)**

We look forward to a productive discussion at the July 29th meeting and greatly appreciate the Board's time and consideration of matters important to the members.

Yours truly,
Katie Guerry, Liaison Committee Chair