

## Markets & Reliability Committee

Webex Only

May 25, 2022

9:00 a.m. – 11:15 a.m. EPT

### Administration

Stu Bresler and Michele Greening welcomed stakeholders and provided the Anti-trust, Code of Conduct, and Meeting Participation announcements.

Thomas DeVita provided an update regarding FERC's May 18, 2022 letter to PJM seeking additional information in relation to PJM's February 1, 2022 Order 2222 compliance filing.

### Consent Agenda

Items A through E were **approved/endorsed** by acclamation with no objections or abstentions:

- A. Minutes of the April 27, 2022 meeting of the Markets and Reliability Committee (MRC).
- B. Proposed revisions to Manual 03: Transmission Operations resulting from its periodic review.
- C. Proposed revisions to Manual 11: Energy & Ancillary Services Market Operations, Manual 12: Balancing Operations, and Manual 28: Operating Agreement Accounting addressing conforming changes for stability limits in markets and operations.  
[Issue Tracking: Stability Limits in Markets and Operations](#)
- D. Proposed revisions to Manual 21A: Determination of Accredited UCAP Using Effective Load Carrying Capability Analysis addressing an ELCC model run timing update and changes to reflect the continuation of the current method to provide unit specific backcasts only as requested.  
[Issue Tracking: Extension of Voluntary Unit-Specific ELCC Data Submission and Updated ELCC Schedule](#)
- E. Proposed revisions to Manual 36: System Restoration resulting from its periodic review.

### Endorsements

#### 1. Start-Up Cost Offer Development

Tom Hauske reviewed the proposed solution and corresponding revisions to Manual 15: Cost Development Guidelines, the Tariff and the Operating Agreement (OA) addressing Start-Up Cost Offer Development. Adrien Ford, ODEC, offered the following amendments (*italicized* below):

- Manual 15, Section 1.7.2, include the *italicized* sentence:

It consist primarily of the cost of fuel, as determined by the unit's start heat input (adjusted by the performance factor) times the fuel cost. It also includes operating costs, maintenance adders, emissions allowances/adders, and station service power cost. Start Costs can vary with the unit offline time being categorized in three unit temperature conditions: hot, intermediate and cold. *Units*

*with a soak process include nuclear, steam, and combined cycle units. Units without a soak process include, engines, combustion turbines, Intermittent, and Energy Storage resources.*

- Tariff Definition for “Start-Up Costs, include the *italicized text*:

“Start-Up Costs” shall consist primarily of the cost of fuel, as determined by the unit’s start heat input (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances/adders, and station service cost. Start-Up Costs can vary with the unit offline time being categorized in three unit temperature conditions: hot, intermediate and cold.

For units with soak process (*nuclear, steam, and combined cycle*), “Start Fuel” is fuel consumed from first fire of start process (initial reactor criticality for nuclear units): Start-Up Cost shall mean the net unit costs from PJM’s notification to the level at which the unit can follow PJM’s dispatch, and from last breaker open to shutdown.

For units without soak process (*engines, combustion turbines, Intermittent Resources, and Energy Storage Resources*): Start Cost shall mean the unit costs from PJM’s notification to first breaker close and from last breaker open to shutdown.

- OA Definition for “Start-Up Costs”, include the *italicized text*:

“Start-Up Costs” shall consist primarily of the cost of fuel, as determined by the unit’s start heat input (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances/adders, and station service cost. Start-Up Costs can vary with the unit offline time being categorized in three unit temperature conditions: hot, intermediate and cold.

For units with soak process (*nuclear, steam, and combined cycle*), “Start Fuel” is fuel consumed from first fire of start process (initial reactor criticality for nuclear units): Start-Up Cost shall mean the net unit costs from PJM’s notification to the level at which the unit can follow PJM’s dispatch, and from last breaker open to shutdown.

For units without soak process (*engines, combustion turbines, Intermittent Resources, and Energy Storage Resources*): Start Cost shall mean the unit costs from PJM’s notification to first breaker close and from last breaker open to shutdown.

There were no objections to these proposed amendments, and therefore they were incorporated into the proposed Manual, Tariff, and OA revisions respectively.

Following discussion, the proposed solution including corresponding revisions (as amended) to the Tariff, Operating Agreement (OA), and Manual 15: Cost Development Guidelines were **endorsed** by acclamation with no objections or abstentions.

[Issue Tracking: Start-up Cost Offer Development](#)

## 2. Dynamic Rating Issue

Chris Callaghan and Bilge Derin reviewed a proposed solution and corresponding revisions to Manual 01: Control Center and Data Exchange Requirements, Manual 03: Transmission Operations, and Manual 03A: Energy Management System (EMS) Model Update and Quality Assurance (QA) to

address the Interim Measures to Facilitate the Integration of Dynamic Ratings into PJM Operations (Phase 1). Following discussion, the proposed solution and corresponding manual revisions were **endorsed** by acclamation with no objections or abstentions.

[Issue Tracking: Interim Measures to Facilitate the Integration of Dynamic Ratings into PJM Operations](#)

### 3. Application of Designated Entity Agreement

Augustine Caven reviewed a proposed solution and corresponding OA revisions to address the application of Designated Entity Agreement.

A. Greg Poulos, on behalf of the Delaware Division of the Public Advocate, and Denise Foster Cronin, EKPC on behalf of joint sponsors, reviewed additional alternatives as posted.

Following discussion, the main motion **failed** in a sector-weighted vote with 2.514 in favor. John Horstmann, Dayton Power & Light Company, moved and Jason Barker, Constellation Energy Generation, LLC, seconded a motion to treat the alternatives as a first read and defer endorsement to the next MRC meeting. The motion **passed** in a sector-weighted vote with 3.959 in favor.

[Issue Tracking: Application of Designated Entity Agreement](#)

## First Readings

### 4. Service on PJM for Rate and Waiver Filings under Governing Agreements

Steve Pincus reviewed a proposed Problem Statement and Issue Charge addressing service to PJM of Members' Tariff rate and waiver filings under PJM Governing Agreements. The committee will be asked to approve the Issue Charge at its next meeting.

### 5. Operating Committee Charter

Darlene Phillips reviewed proposed revisions to the Operating Committee Charter. The committee will be asked to approve the revised Charter at its next meeting.

### 6. Manuals

Natasha Holter reviewed proposed revisions to Manual 29: Billing resulting from its periodic review. The committee will be asked to endorse the proposed Manual 29 revisions at its next meeting.

## Future Agenda Items

Future Meeting Dates and Materials			Materials Due to Secretary	Materials Published
Date	Time	Location		
June 29, 2022	9:00 a.m.	PJM Conference & Training Center and WebEx	June 17, 2022	June 22, 2022
July 27, 2022	9:00 a.m.	PJM Conference & Training Center and WebEx	July 15, 2022	July 20, 2022

<i>August 24, 2022</i>	9:00 a.m.	PJM Conference & Training Center and WebEx	August 12, 2022	August 17, 2022
<i>September 21, 2022</i>	9:00 a.m.	PJM Conference & Training Center and WebEx	September 9, 2022	September 14, 2022
<i>* October 24, 2022 *tentative dates &amp; time</i>	<i>* 1:00 p.m.</i>	Hyatt Regency Chesapeake Bay Golf Resort, Spa and Marina in Cambridge, MD	<i>* October 12, 2022</i>	<i>* October 17, 2022</i>
<i>November 16, 2022</i>	9:00 a.m.	PJM Conference & Training Center and WebEx	November 4, 2022	November 9, 2022
<i>December 21, 2022</i>	9:00 a.m.	PJM Conference & Training Center and WebEx	December 9, 2022	December 14, 2022

Author: M. Greening