



## MEETING MINUTES

PJM Interconnection

Energy/Reserve Pricing & Interchange Volatility MIC Special Session

PJM Conference and Training Center / WebEx

July 28, 2014 (9:00pm – 4:00pm)

### In-Person Participants:

Last Name	First Name	Company Name	Sector
Anders	David	PJM Interconnection, LLC	Not Applicable
Blair	Tom	Monitoring Analytics, LLC	Not Applicable
Borgatti	Michael	Gable and Associates	Not Applicable
Carroll	Rebecca	PJM Interconnection, LLC	Not Applicable
Ciabattoni	Joe	PJM Interconnection, LLC	Not Applicable
Dadourian	John	Monitoring Analytics, LLC	Not Applicable
Fitch	Neal	NRG Power Marketing LLC	Generation Owner
Foladare	Kenneth	IMG Midstream LLC	Generation Owner
Hagaman	Derek	GT Power Group	Transmission Owner
Horstmann	John	Dayton Power & Light Company (The)	Transmission Owner
Keech	Adam	PJM Interconnection, LLC	Not Applicable
Lieberman	Steven	Old Dominion Electric Cooperative	Electric Distributor
Mabry	David	McNees Wallace & Nurick LLC	Not Applicable
Marcino	Angelo	PJM Interconnection, LLC	Not Applicable
Mason	Mary	PJM Interconnection, LLC	Not Applicable
McLaughlin	Jeff	PJM Interconnection, LLC	Not Applicable
Morelli	Lisa	PJM Interconnection, LLC	Not Applicable
O'Connell	Robert	JPMorgan Ventures Energy Corporation	Other Supplier
patel	keyurbhai	PJM Interconnection, LLC	Not Applicable
Pratzon	David	GT Power Group	Not Applicable
Slade	Louis	Virginia Electric & Power Company	Transmission Owner
Souder	Rich	PJM Interconnection, LLC	Not Applicable
Stadelmeyer	Rebecca	Exelon Business Services Company, LLC	Transmission Owner
Suh	Jung	Noble Americas Energy Solutions LLC	Other Supplier
Velasco	Cheryl Mae	PJM Interconnection, LLC	Not Applicable
Warshel	Kim	PJM Interconnection, LLC	Not Applicable



Williams	Stanley	PJM Interconnection, LLC	Not Applicable
Scarpignato	Dave	Direct Energy Business, LLC	Other Supplier

**Teleconference Participants:**

Last Name	First Name	Company Name	Sector
Ainspan	Malcolm	Energy Curtailment Specialists, Inc.	Other Supplier
Barker	Jason	Exelon Business Services Company, LLC	Transmission Owner
Bolan	Martin	FirstEnergy Solutions Corporation	Transmission Owner
Bonner (ES)	Charles	Dominion Virginia Power	Not Applicable
Carretta	Kenneth	PSEG Energy Resources and Trade LLC	Transmission Owner
Cicero	Nick	FirstEnergy Solutions Corporation	Transmission Owner
Citrolo	John	PSEG Energy Resources and Trade LLC	Transmission Owner
Cox	Edward	Appalachian Power Company	Transmission Owner
Coyle	Billy	Dominion Virginia Power	Not Applicable
Dugan	Bill	Customized Energy Solutions, Ltd.*	Not Applicable
Engle	Andrew	PJM Interconnection, LLC	Not Applicable
Farber	John	DE Public Service Commission	Not Applicable
Fazio	Danielle	Noble Americas Gas & Power Corp.	Other Supplier
Filomena	Guy	Customized Energy Solutions, Ltd.*	Not Applicable
Frellich	Jessica	Integrays Energy Services, Inc.	Other Supplier
Galicia	Louis	Ventyx	Not Applicable
Gebolys	Debbie	Other	Not Applicable
Greening	Michele	PPL EnergyPlus, L.L.C.	Transmission Owner
Griffiths	Dan	Consumer Advocates of PJM States	Not Applicable
Hastings	David	Cygnus Energy Futures, LLC	Other Supplier
Heizer	Fred	Ohio PUC	Not Applicable
Hoatson	Tom	Riverside Generating, LLC	Other Supplier
Horning	Lynn	PJM Interconnection, LLC	Not Applicable
Hsia	Eric	PJM Interconnection, LLC	Not Applicable
Hyzinski	Tom	PPL EnergyPlus, L.L.C.	Transmission Owner
Jablonski	James	Borough of Butler, Butler Electric Division	Electric Distributor
Jennings	Kenneth	Duke Energy Business Services LLC	Generation Owner
Jett	William	Duke Energy Business Services LLC	Generation Owner
Johnson	Carl	Customized Energy Solutions, Ltd.*	Not Applicable



Kochonies	Karen	Morgan Stanley Capital Group, Inc.	Other Supplier
Kogut	George	New York Power Authority	Other Supplier
Lacy	Catharine	Dominion Virginia Power	Not Applicable
Luna	Joel	Monitoring Analytics, LLC	Not Applicable
Ma	Alex	Bishop Hill Energy LLC	Generation Owner
Maher	Mollie	PPL EnergyPlus, L.L.C.	Transmission Owner
McAlister	Lisa	American Municipal Power, Inc.	Electric Distributor
McNally	Stephen	Long Island Lighting Company d/b/a LIPA	Other Supplier
McNamara	Sean	PJM Interconnection, LLC	Not Applicable
Moerner	Lisa	Virginia Electric & Power Company	Transmission Owner
Norton	Chris	American Municipal Power, Inc.	Electric Distributor
Ondayko	Brock	Appalachian Power Company	Transmission Owner
Pakela	Gregory	DTE Energy Trading, Inc.	Other Supplier
Patten	Kevin	Appalachian Power Company	Transmission Owner
Shanker	Roy	H.Q. Energy Services (U.S.), Inc.	Other Supplier
Snow	Robert	The Federal Energy Regulatory Commission	Not Applicable
Sock	Bryan	PSEG Energy Resources and Trade LLC	Transmission Owner
Terry	Jonathan	Allegheny Electric Cooperative, Inc.	Electric Distributor
Wadsworth	Joseph	Vitol Inc.	Other Supplier
Wilhite	Chad	FirstEnergy Solutions Corp.	Transmission Owner
Williams	Michael	Black Oak Energy, LLC	Other Supplier

## 1. Administration

Ms. Lisa Morelli called the meeting to order and welcomed stakeholders. Ms. Morelli reviewed the agenda and called attention to the Anti-trust and Code of Conduct statements. Ms. Cheryl Mae Velasco performed roll call and reviewed the draft meeting minutes from the 7/7 ERPIV meeting. The minutes were approved.

## 2. Review Workplan

Ms. Morelli reviewed the draft workplan. With the aggressive timeline, the group is looking to schedule an additional meeting in August before presenting the proposals to the standing committees. However, no date has been selected yet. No other requests for changes were made.



### **3. Education**

Ms. Rebecca Carroll provided the group with an overview of Coordinated Transaction Scheduling to provide background for the interchange volatility discussions.

### **4. Review of PJM Interchange Volatility Solution Components and Options**

Ms. Carroll presented PJM's proposed solution for the interchange volatility component of the issue charge. PJM proposes a new optional Real-Time transaction product that is economically evaluated during periods where a hot/cold weather alert, max emergency generation alert, or other emergency is in place. PJM also spoke to having an interchange limit and how to treat uplift charges, however details surrounding these topics are still under internal discussion.

### **6. Review of Interchange Volatility Alternate Solution Components and Options**

Mr. Dave Scarpignato, Direct Energy, and Mr. Louis Slade, Dominion, reviewed an alternate proposal that was brought forth by a group of stakeholders that met separately called the New Reserve Product Coalition. The group proposed a solution to interchange volatility that aligned closely with PJM's proposal, with a few differences. PJM and the Coalition plan to work together to attempt to combine the proposals and work out the details together.

### **8. Energy/Reserve Pricing Solution Components and Options Development**

Mr. Adam Keech and Mr. Angelo Marcino provided additional detail surrounding the PJM proposal of a new 30 minute reserve market. Information was provided on the determination of the penalty factor, how the requirement would be calculated, how the 30 minute reserves would be nested among the existing reserve products, and other pricing impacts. An example was provided to show the potential pricing impacts and settlements for the proposed solution. Mr. Scarpignato and Mr. Slade provided a similar example to showcase the difference between the PJM proposal and the alternate proposal. A request for additional examples was made and will be provided at a future meeting.

### **9. Future Agenda Items**

- a. Review and revise the workplan as needed
- b. Provide education
- c. Develop Solution Components and Options for Energy/Reserve Pricing
- d. Develop Solution Components and Options for Interchange Volatility



## 10. Future Meeting Dates

July 29, 2014	1:00pm – 4:00pm	Conference and Training Center / WebEx
August 7, 2014	1:00pm – 4:00pm	Conference and Training Center / WebEx
August 20, 2014	9:00am – 12:00pm	Conference and Training Center / WebEx
September 16, 2014	1:00pm – 4:00pm	Conference and Training Center / WebEx
September 25, 2014	9:00am – 12:00pm	Conference and Training Center / WebEx

Author: C. Velasco  
DM#: 785030