

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
February 23, 2017
9:00 a.m. – 12:20 p.m. EPT

Administration (9:00-9:05)

Welcome, announcements and Anti-trust and Code of Conduct announcement – Mr. Dave Anders

Endorsements/Approvals (9:05-10:40)

1. Draft Minutes (9:05-9:10)

Approve minutes of the January 26, 2017 meeting of the Markets and Reliability Committee (MRC).

2. PJM Manuals (9:10-9:30)

A. Mr. Jerry Bell will present administrative updates to Manual 22: Generator Resource Performance Indices. **The committee will be asked to endorse these proposed revisions.**

B. Mr. Jim Benchek, FirstEnergy, will present proposed conforming revisions to Manual 13: Emergency Operations and Manual 27: Open Access Transmission Tariff Accounting related to FERC's recent approval of the Mid-Atlantic Interstate Transmission Company as a Transmission Owner in PJM region. **The committee will be asked to endorse these proposed revisions at first reading.**

3. FERC Order 825 – Shortage Pricing (9:30-9:50)

Mr. Adam Keech will review the proposed Shortage Pricing / Operating Reserve Demand Curve solution and associated manual revisions. **The committee will be asked to endorse the solution.**

4. Transmission Substation Equipment in FERC Order 1000 (9:50-10:05)

Mr. Mark Sims will discuss Regional Transmission Expansion Plan (RTEP) process enhancements related to the treatment of transmission substation equipment in PJM FERC Order 1000 Proposal Windows and associated Operating Agreement revisions. **The committee will be asked to endorse the proposed revisions.**

5. Draft Pseudo-Tie Agreements (10:05-10:20)

Ms. Jacqui Huges will review two pseudo-tie agreements and Tariff and OA revisions shown below. **The committee will be asked to endorse the proposed agreements and Tariff and OA revisions.**

- Pro forma pseudo-tie agreement
- Pseudo-tie reimbursement agreement for pseudo-tie into PJM
- Associated Tariff and OA revisions

6. Replacement Capacity (10:20-10:40)

Mr. Bob O'Connell, Panda Power Funds, will present a proposed problem statement /issue charge regarding procurement of replacement capacity in RPM Incremental Auctions. **The committee will be asked to approve at first reading the proposed problem statement / issue charge.**

First Readings (10:40-12:10)

7. Cost Development Manual Revisions (10:40-11:00)

Mr. Jeff Schmitt will present proposed revisions to Manual 15: Cost Development Guidelines and the OA regarding hourly offers. The committee will be asked to endorse the proposed revisions at its next meeting.

8. Opportunity Cost Calculation (11:00-11:15)

Mr. Bob O'Connell, Panda Power Funds, will present a proposed problem statement /issue charge regarding calculation of opportunity cost for units with less than three years of historical LMPs, and to address Capacity Performance non-performance charges. The committee will be asked to approve the proposed problem statement / issue charge at its next meeting.

9. Transmission Replacement Process Sr. Task Force (TRPSTF) (11:15-11:30)

Mr. Fran Barrett will discuss the activities of the TRPSTF, including the hiatus of activities related to the FERC Show Cause Order in Docket EL-16-71-000. The MRC voted at its September 2016 meeting to place these activities into hiatus and to resume upon the earlier of issuance of a related FERC order or March 2017. Given the current lack of a quorum at the FERC, Mr. Barrett will seek MRC guidance regarding when Show Cause related TRPSTF activities should resume.

10. Modelling Generation Sr. Task Force (MGSTF) (11:30-11:40)

Mr. San Williams will present the draft charter for the MGSTF. The committee will be asked to approve the draft charter at its next meeting.

11. Incremental Auction Sr. Task Force (IASTF) (11:40-11:50)

Mr. Brian Chmielewski will present the draft charter for the IASTF. The committee will be asked to approve the draft charter at its next meeting.

12. PJM Manuals (11:50-12:10)

- A. Mr. Chris Pulong will review proposed changes to Manual 13: Emergency Operations. The committee will be asked to endorse the proposed revisions at its next meeting.
- B. Mr. Chris Pulong will present proposed revisions to Manual 37: Reliability Coordination. The committee will be asked to endorse the proposed revisions at its next meeting.

Informational Updates (12:10-12:20)

13. PPL SPS Removal (12:10-12:20)

Mr. Paul Santarelli, PPL, will present on the removal of the Jenkins SPS (Special Protection Scheme).

Future Agenda Items (12:20)

Future Meeting Dates

March 23, 2017	9:00 a.m.	Wilmington, DE
April 27, 2017	9:00 a.m.	Wilmington, DE
May 25, 2017	9:30 a.m.	Wilmington, DE
June 22, 2017	9:00 a.m.	Wilmington, DE
July 27, 2017	9:00 a.m.	Wilmington, DE
August 24, 2017	9:30 a.m.	Wilmington, DE
September 28, 2017	9:00 a.m.	Wilmington, DE
October 26, 2017	9:00 a.m.	Wilmington, DE
November 30, 2017	9:00 a.m.	Wilmington, DE
December 21, 2017	9:30 a.m.	Wilmington, DE

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Antitrust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.

Public Meetings/Media Participation:

Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media. Members of the media are asked to announce their attendance at all PJM stakeholder meetings at the beginning of the meeting or at the point they join a meeting already in progress. Members of the Media are reminded that speakers at PJM meetings cannot be quoted without explicit permission from the speaker. PJM Members are reminded that "detailed transcriptional meeting notes" and white board notes from "brainstorming sessions" shall not be disseminated. Stakeholders are also not allowed to create audio, video or online recordings of PJM meetings.

During a Meeting	During an Acclamation Vote
<p>*1 To enter the question queue (does not work during a vote)</p> <p>*2 To be removed from the question queue</p> <p>*0 To signal for PJM support staff assistance</p>	<p>Please log-in to the voting application at voting.pjm.com, so that you can be registered as the active voter prior to the start of the meeting.</p> <p>*7 Yes</p> <p>*8 No</p> <p>*9 Abstain</p> <p>*0 To signal for PJM support staff assistance</p>
<p>Asking Question</p> <ul style="list-style-type: none">• Entering *1 enters you into the question queue, the three dial tones are an auditory indication that you have successfully been placed in the queue.• Questions are taken during the meeting when natural breaks occur and are asked in the order they are received.	
<p>Linking Teleconference Connection to WebEx</p> <p>To link your teleconference connection (audio presence) to your WebEx presence, please dial *29 and enter your Personal Identification Number. Once you are logged in to the WebEx, this PIN can be found under the "Meeting Info" tab of your WebEx window.</p>	

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