

Markets and Reliability Committee
PJM, Conference and Training Center, Audubon, PA
September 27, 2018
9:00 a.m. – 1:10 p.m. EPT

Administration (9:00-9:15)

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

Ms. Tawnya Luna will present an informational update on PJM.com web-based agreements.

Consent Agenda (9:15-9:20)

- A. **Approve** minutes of the August 23, 2018 meeting of the Markets and Reliability Committee (MRC).
- B. **Approve** proposed Tariff and OA revisions developed by the Governing Documents Enhancement & Clarification Subcommittee (GDECS).

Endorsements/Approvals (9:20-11:15)

1. PJM Manuals (9:20-9:35)

- A. Ms. Bilge Derin will present revisions to Manual 01: Control Center and Data Exchange Requirements. **The committee will be asked to endorse the manual revisions.**
- B. Ms. Gabrielle Genuario will review updates to Manual 15: Cost Development Guidelines as part of the Biennial Review. **The committee will be asked to endorse these revisions.**
- C. Mr. Jason Shoemaker will present proposed changes to Manual 14F: Competitive Planning Process related to Cost Containment. **The committee will be asked to endorse these revisions.**

2. Behind-the-Meter Generation (9:35-9:50)

Mr. Pete Langbein will present a proposal and associated manual revisions developed by the Distributed Energy Resources Subcommittee (DERS) that would give PJM and Transmission Owners better observability of Behind the Meter Generation resources. **The committee will be asked to endorse this proposal and the associated manual revisions.**

3. Market Seller Offer Cap Balancing Ratio Proposal (9:50-10:05)

Mr. Pat Bruno will present the market seller offer cap balancing ratio proposal approved by the Market Implementation Committee. **The committee will be asked to endorse this proposal.**

4. Variable Operations and Maintenance (10:05-10:25)

Ms. Melissa Pilong will present a proposal for stakeholder consideration which is documented in draft revisions to Manual 15: Cost Development Guidelines, the Operating Agreement and Tariff. Mr. Brian Wilkie, RECO, is expected to move this proposal. **The Committee may be asked to endorse these proposed revisions.**

5. Quadrennial Review (10:25-10:45)

Mr. Gary Helm will present the Quadrennial Review packages. **The committee will be asked to provide advisory votes on each package for PJM Board of Managers consideration.**

6. FTR Default Liquidation Provisions (10:45-11:15)

A. Ms. Suzanne Daugherty will present information on the four proposed packages and the status quo regarding alternative FTR Default Liquidation Provisions and associated revisions to governing documents. **The committee will be asked to endorse a proposal at first read consistent with the approved Issue Charge on this topic.**

B. If no proposal in agenda item 6.A is endorsed, Mr. Barry Trayers, Citigroup Energy, Inc. is expected to move, and Mr. John Brodbeck, EDP Renewables, North America, LLC is expected to second a motion to extend the pending FERC filing to not offer the defaulted FTR positions for liquidation for an additional 90 days. *Should a proposal in agenda 6.A or 6.B be endorsed, it will be voted on at the September 27, 2018 Members Committee meeting.

First Readings (11:15-12:50)

7. RPM Credit Requirement Reduction Clarifications (11:15-11:30)

Mr. Hal Loomis will present draft tariff language to remove an apparent overlapping credit reduction provision for Qualified Transmission Upgrades, to clarify milestone documentation requirements for internally financed projects, and to clarify that Capacity Market Sellers should submit requests for reductions. The committee will be asked to endorse these revisions at its next meeting.

8. Transmission Constraint Penalty Factors (11:30-11:45)

Mr. Angelo Marcino will review the joint PJM/IMM package developed at the Special MIC sessions related to Transmission Constraint Penalty Factors, and present draft Manual 11 and Manual 33 revisions, as well as Operating Agreement and Tariff language. The committee will be asked to endorse a proposal and these revisions at its next meeting.

9. Summer-Only Demand Response (11:45-12:00)

Ms. Rebecca Carroll will present a first read of the proposal endorsed by the Summer-Only Demand Response Sr. Task Force (SODRSTF) to better value summer-only demand response resources. The committee will be asked to endorse a proposal at its next meeting.

10. FERC Order 831 – Offer Caps (12:00-12:15)

Ms. Susan Kenney will present draft Manual 11 language that describes the long term automated process for Price-Based Offers greater than \$1,000/MWh. The committee will be asked to endorse these revisions at its next meeting.

11. 2018 Reserve Requirements Study Results (12:15-12:30)

Mr. Patricio Rocha Garrido will review the 2018 Reserve Requirements Study results (IRM, FPR). The committee will be asked to endorse these study results at its next meeting.

12. Regulation Market Pricing Issue (12:30-12:45)

Mr. Adam Keech will provide a first read of a problem statement and issue charge to address recent regulation market clearing price issues as well present a proposed solution. The committee will be asked to endorse these items at its next meeting.

13. PJM Manuals (12:45-1:05)

- A. Ms. Diane Lake will review proposed changes to Manual 03A: Energy Management System (EMS) Model Updates and Quality Assurance (QA). The committee will be asked to endorse the manual revisions at its next meeting
- B. Mr. Dean Manno will review proposed changes to Manual 13: Emergency Operations. The committee will be asked to endorse these revisions at its next meeting.
- C. Ms. Nikki Militello will review proposed changes to Manual 11: Energy & Ancillary Services Market Operations related to Pseudo-Tie Overlapping Congestion. The committee will be asked to endorse these revisions at its next meeting.
- D. Mr. Ray Fernandez will review proposed changes to Manual 28: Operating Agreement Accounting related to Pseudo-Tie Overlapping Congestion. The committee will be asked to endorse these revisions at its next meeting.

Informational Updates (1:05-1:10)

14. Market Operations Price Transparency (1:05-1:10)

Mr. Rami Dirani will provide a status update on Market Operations Price Transparency problem statement and issue charged that was worked through special sessions of the Market Implementation Committee.

Future Agenda Items (1:10)

Future Meeting Dates

October 25, 2018	9:00 a.m.	Wilmington, DE
December 6, 2018	9:00 a.m.	Wilmington, DE
December 20, 2018	9:30 a.m.	Valley Forge, PA

Author: A. Egan

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.

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During a Meeting	During an Acclamation Vote
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>*1</p> <p>To enter the question queue (does not work during a vote)</p> </div> <div style="text-align: center;"> <p>*2</p> <p>To be removed from the question queue</p> </div> </div> <div style="text-align: center; margin-top: 20px;"> <p>*0</p> <p>To signal for PJM support staff assistance</p> </div>	<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> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>*7</p> <p>Yes</p> </div> <div style="text-align: center;"> <p>*8</p> <p>No</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>*9</p> <p>Abstain</p> </div> <div style="text-align: center;"> <p>*0</p> <p>To signal for PJM support staff assistance</p> </div> </div>
<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. 	
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