



DRAFT Notes
PJM Interconnection
Cost Development Subcommittee (259th Meeting)
PJM Service Center – S-1
Norristown, PA
Monday February 28, 2011
10:00 AM

Members in Attendance:

Williams, Stanley (Chair)	PJM Interconnection
Ciampaglio, Tony	Constellation Energy Commodities Group, Inc.
Gomez, Luis	Exelon Generation Co., LLC
Walter, Laura (Secretary)	PJM Interconnection

Also in Attendance:

Dugan, William	Monitoring Analytics, LLC
Hauske, Thomas	PJM Interconnection
Zadlo, Thomas	PJM Interconnection

Attended via Teleconference / Webex:

Fee, George	Appalachian Power Company
Citrolo, Johnn	Calpine Energy Services, L.P.
Gilani, Rehan	ConEdison Energy, Inc.
Filomena, Guy	Customized Energy Solutions, Ltd.*
Horstmann, John	Dayton Power & Light Company (The)
Plutschak, Richard	Easton Utilities Commission
Tackett, Nicholas	Federal Energy Regulatory Commission (The)
Hoag, Richard	FirstEnergy Solutions Corp.
Lindeman, Tony	FirstEnergy Solutions Corp.
Tom Cremer	FirstEnergy Solutions Corp.
Siegrist, Hal	GenOn Energy Management, LLC
O'Connell, Robert	J.P. Morgan Ventures Energy Corporation
Miller, Rod	PPL Generation, LLC
Lopez, Johny	PSEG Energy Resources and Trade LLC
LaFalce, Mike	Public Service Electric & Gas Company
Binder, Gerry	SESCO Enterprises LLC
Brodbeck, John	Shell Energy North America (US), LP

1. ADMINISTRATION

CDS approved the minutes from the 258th CDS held on 1/31/11 by acclamation.
CDS approved the agenda for the 259th CDS by acclamation.
PJM Reviewed Antitrust Guidelines.



2. **CDS STATUS UPDATE**

CDS Chair, Stan Williams recommended training on PJM's new Stakeholder Process, outlined in [Manual 34](#). The stakeholder training will be held March 15th and 16th and [registration is available on pjm.com](#).

3. **MANUAL 15 LANGUAGE FOR NON-REGULATORY OPPORTUNITY COSTS**

The draft manual language for inclusion of Non-Regulatory Opportunity Costs was endorsed with minor changes. This manual language will go to the Markets and Reliability Committee (MRC) for information on March 23, 2011. This issue can be found on [issue tracking](#).

4. **STANDARDIZATION OF COST BY UNIT TYPE**

George Fee, AEP, presented a problem statement about standardizing cost calculations. The CDS decided to roll this issue into the problem statement for VOM definition (item 6). PJM will update the educational document to include VOM policies from other RTOs.

5. **NO LOAD FUEL/COST: [ISSUE TRACKING LINK](#)**

Please refer to [Manual 34](#), Chapter 7, page 25 for details on the issue resolution process.

PJM presented a preliminary educational document on the Definition of No Load. The document will be enhanced by modifying the two appendixes to work together and ensure that the dispatch example curves are representative of real units. CDS then moved on to interest identification. The following interests were identified:

- Current practices should be appropriately reflected in the market rules. The rules should reflect the need for adjustment of no load to create monotonically increasing offer curves
- Create rules that result in the consistent development of No Load costs for Combined Cycles

CDS then moved on to design criteria. The following design criterion was identified:

- Development of a single method and preferred definition of no load.
- Create a clear procedure for calculation of no load costs
- The need to adjust no load costs to create monotonically increasing curves must be maintained
- Solution cannot require finer information granularity than physically exists
- Development of a clear calculation procedure so that no load that is calculated by the MMU and by market participants should be the same number

6. **VARIABLE OPERATING AND MAINTENANCE (VOM) COST DEFINITION: [ISSUE TRACKING LINK](#)**

PJM presented an educational document about VOM. Based on feedback, PJM will refine the material further and review it at the next meeting. A section will be added to cover how other RTOs handle VOM. The problem statement will be revised to include the concept of standardization of default VOM values by unit type. Stakeholders discussed their desire to focus on activities that minimize references to FERC Accounts.

7. **CDS WORK PLAN AND FUTURE TOPICS**

Information for Unit types not Addressed by Manual 15

Immature Unit Definition

Combined Cycle Modeling

Cyclic Peaking Factors for Combined Cycle units: [Issue Tracking](#) (referred by MRC)

Treatment of Units under Long Term Contracts (Legacy item)



8. FUTURE MEETINGS

Monday, March 21, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, April 25, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, May 23, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices
Monday, June 20, 2011	10:00 am until 2:00 pm	PJM Interconnection Offices

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