



Regional Planning Process Task Force Teleconference

Toll-free call-in number 866-398-2885

Passcode: 934672

WebEx Link: <https://pjm.webex.com>

Password: Password: rpp0522pjm

May 22, 2013

9:30 a.m.-12:00 p.m., Eastern
Standard Time

- Call to Order, Announcements, Roll call 20 min
 - Review Action Items

- Review of RPPTF Voting Materials 9:50 – 11:15 a.m.
 - Market Efficiency Voting Results
 - Multi-Driver Approach Polling Results
 - Production Cost Revised Definition
 - Time Permitting – Discussion of OA and Manual Changes

- FERC Order on Order 1000 Compliance Filings 11:15 – 11:50 a.m.
 - Brief Status + Interregional Progress
 - “Upgrade” Definition – Discussion, Feedback, Drafting

- Action Items, RPPTF Tasks and Schedule, Adjourn 10 min



Action Items - Status

#	Owner	Status	Date Opened	Date Closed	Item
Administration					
Market Efficiency					
Interregional Coordination					
Multi-Driver Approach					
8	PJM	Open	14-Mar		Provide review on two Hybrid "con's" (notated in deck)



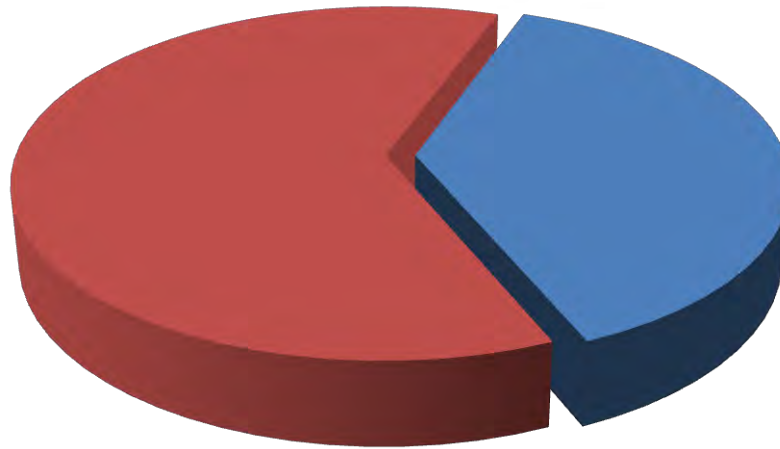
RPPTF – *Voting & Polling Results*



Market Efficiency- Benefit Determination – Final Packages for Vote

Design Element		Current	Package 4	Package 10
1	Benefit Determination: Regional Project	Total Benefit= Energy + Capacity Benefit		
		Energy Benefit: 70% change in production costs + 30% change in net load payments all zones	Energy Benefit: 50% change in production costs + 50% change in net load payments all zones	Energy Benefit: 50% change in production costs + 50% change in net load payments (only zones with decrease in net load payments)
		Capacity Benefit: 70% change in capacity costs + 30% change in net capacity payments all zones	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments all zones	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments (only zones with decrease in net capacity payments)
		Total Benefit= Energy + Capacity Benefit		
2	Benefit Determination: Lower Voltage Project	Total Benefit= Energy + Capacity Benefit		
		Energy Benefit: 70% change in production costs + 30% change in net load payments(only zones with decrease in net load payments)	Energy Benefit: 50% change in production costs + 50% change in net load payments(only zones with decrease in net load payments)	Energy Benefit: 100% change in net load payments (only zones with decrease in net load payments)
		Capacity Benefit: 70% change in capacity costs + 30% change in net capacity payments (only zones with decrease in net capacity payments)	Capacity Benefit: 50% change in capacity costs + 50% change in net capacity payments (only zones with decrease in net capacity payments)	Capacity Benefit: 100% change in net capacity payments (only zones with decrease in net capacity payments)
		Total Benefit= Energy + Capacity Benefit		

- Can you support changing the Benefit Determination to Package 4?

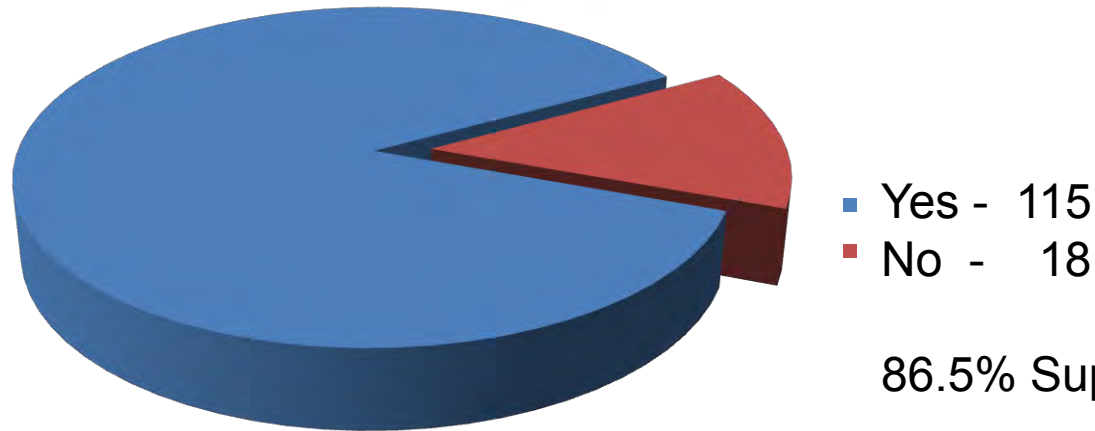


■ Yes - 43
■ No - 70

38.1% Support Package 4

Voting Result - Does not qualify as an alternative motion

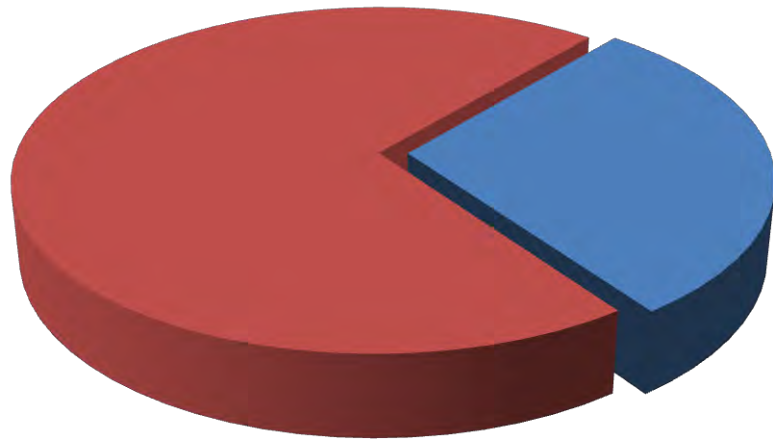
- Can you support changing the Benefit Determination to Package 10?



86.5% Support Package 10

Voting Result - Qualifies as Main Motion

- (POLL) Do you support maintaining the Status Quo in Market Efficiency - Benefit Determination (Package 1)?



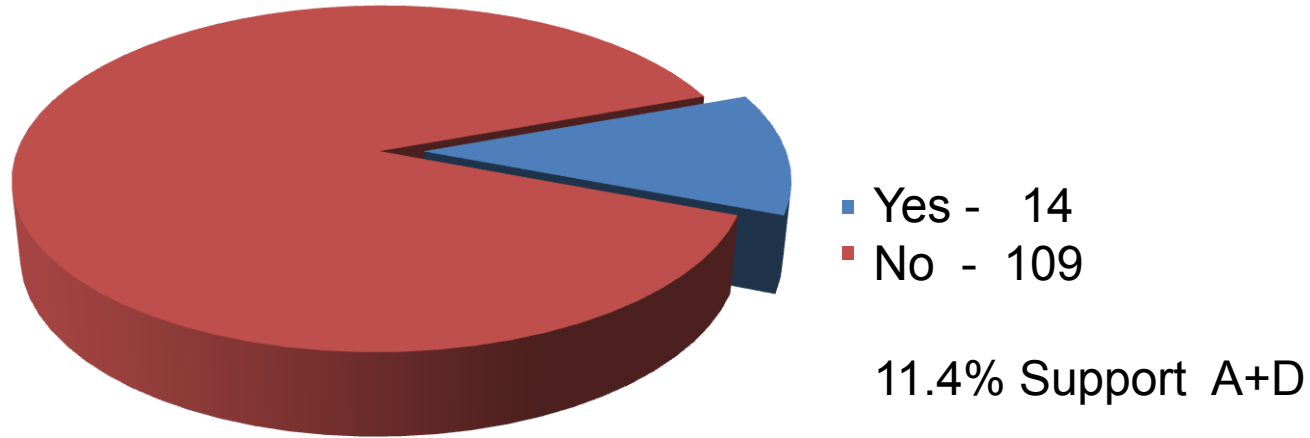
■ Yes - 38
■ No - 93

29% Support Status Quo

Polling Result – Low support for current method

Do you support changing the method of future generation expansion to include option D (A + D)?

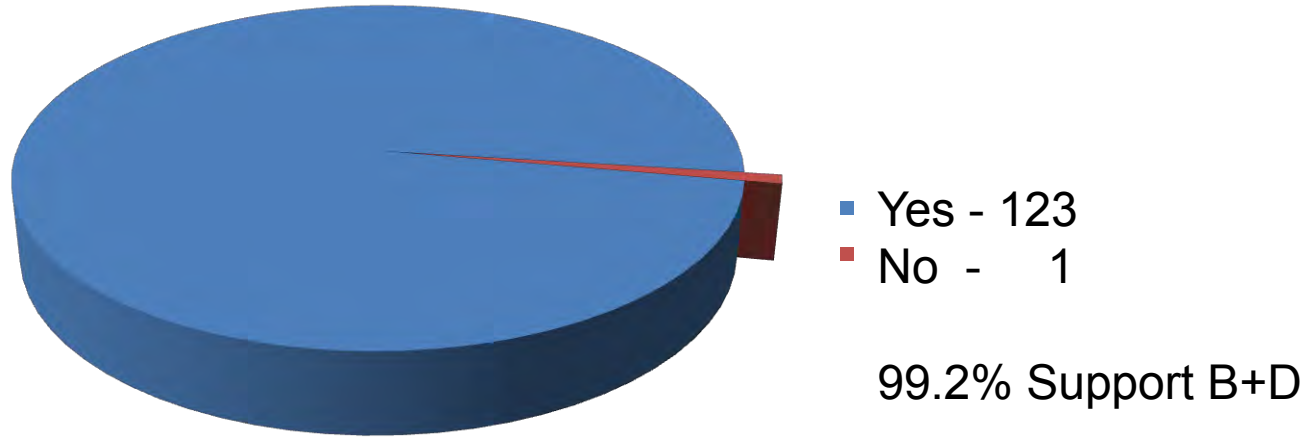
- Design Element A (Status Quo): Include all ISA. Scale existing units based on location and technology to meet Reserve Requirement
- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.



Voting Result - Does not qualify as an alternative motion

Do you support changing the method of future generation expansion to include option (B+D)?

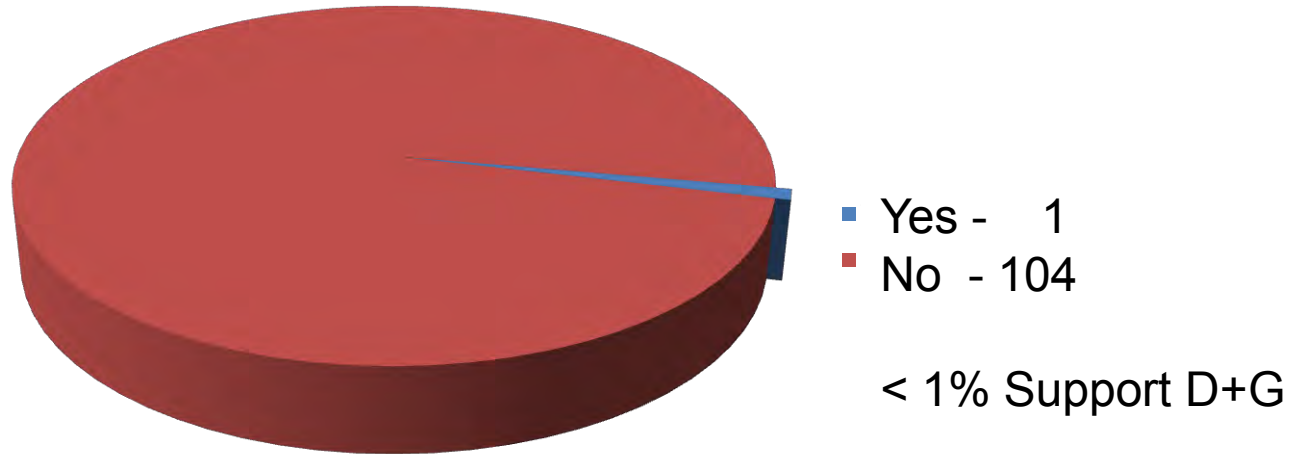
- Design Element B: Include all ISA and FSA. Scale existing units based on location and technology to meet Reserve Requirement. Review of FSA units for exceptions.
- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.



Voting Result - Qualifies as Main Motion

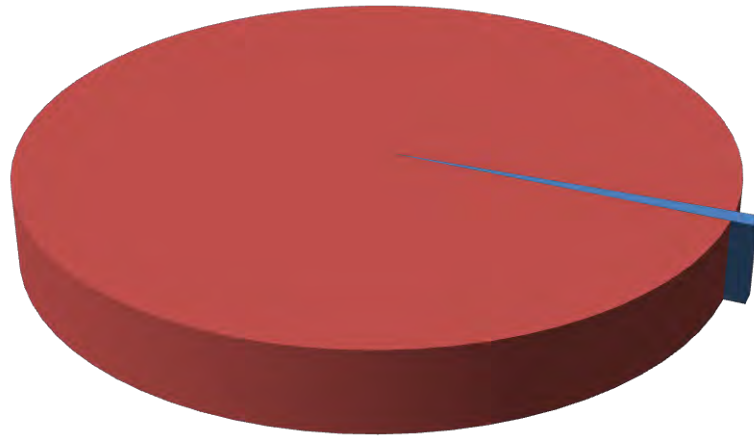
Do you support changing the method of future generation expansion to include option (D+G)?

- Design Element D: Include actual transmission upgrades for congestion that arises from scaling assumptions.
- Design Element G: Include all ISA. Add units on HV system based on location and technology to meet Reserve Requirement.



Voting Result - Does not qualify as an alternative motion

(POLL) Do you support maintaining the Status Quo in Market Efficiency - Generation Expansion (A only)?



- Yes - 1
- No - 113

<1% Support Status Quo

Polling Result – Suggest current methods require change

Proposed Production Costs definition change

- Production Costs definition: *Estimated total annual fuel costs, variable O&M costs, and emission costs of the dispatched resources in the PJM Region. **Costs for purchases from outside of the PJM area and sales to outside the PJM area will be captured if appropriate. Purchases will be valued at the Load Weighted LMP and sales will be valued at the Generation Weighted LMP.***

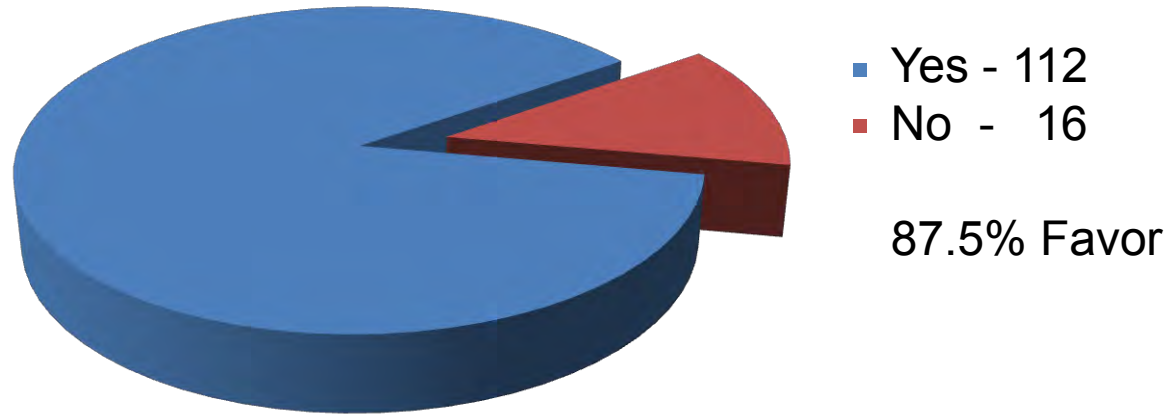
- *Consensus Achieved at December RPPTF Meeting.*
 - *Tier 1 Consensus re-confirmed May 6th meeting.*

- **Background** – *PJM currently has established processes for evaluating the potential combination of Reliability (R) and Market Efficiency (ME) projects to ensure a reliable, cost effective transmission grid spanning the PJM region.*

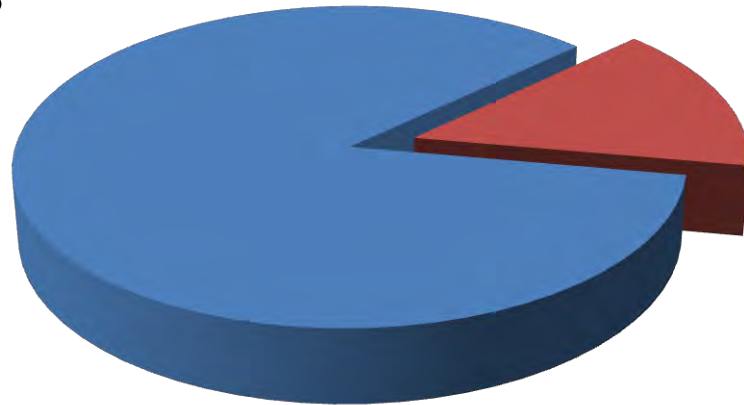
Over the past several months, the Regional Planning Process Task Force has considered, discussed and debated a number of factors relating to refining PJM's transmission planning processes. Specifically – the task force has considered methods for inclusion of Public Policy (PP) projects and whether a formal Multi-Driver Approach that incorporates PP projects should be adopted.

On May 14th, the RPPTF concluded a non-binding poll on adoption of an integrated Multi-Driver Approach. Following are the results of the poll:

- *Do you support implementation of a Multi-Driver Approach that will provide for an integration of Public Policy projects, with Reliability and Market Efficiency projects within PJM's existing regional planning process?*



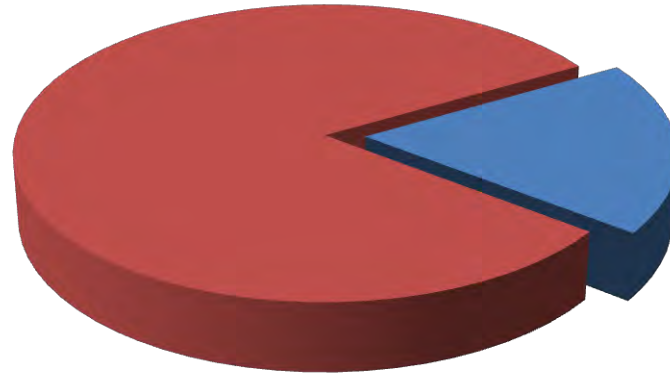
- If an otherwise identified Reliability and or Market Efficiency Project were to be enhanced, made bigger or more robust as the result of inclusion of a Public Policy Upgrade (“upgrade” term yet to be defined), would you support cost apportionment that is a) Incremental or b) Proportional?*



■ Incremental - 109
■ Proportional - 19

85.2% Favor Incremental

- To the extent that a resulting Multi-Driver solution was developed in a manner that is a completely separate solution (meaning a new project not containing any of the previously identified and viable Reliability, Market Efficiency and Public Policy elements), would you support apportionment of the costs associated with the Public Policy portion be treated a) Incrementally or b) Proportionally?*



■ Incremental 24
■ Proportional 104

81.3% Favor Proportional

- Brief Status + Interregional Progress
- “Upgrade” Definition – Discussion, Feedback, Power Point

- *Objectives*
 - *Set principles for this defined term*
 - *Review general principles – document self-evident or common cases*
 - *Review specific or unique principles – capture and document likely/new ideas arising from transmission development by incumbents & non-incumbents*
 - *Document any exceptions*

Anti-trust:

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.