

BOARD OF MANAGERS MEETING MINUTES

October 3, 2023

A meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at the Rittenhouse Hotel in Philadelphia at approximately 12:09 p.m. on October 3, 2023.

The following Board members were present (either in person or remote), constituting a quorum:

- Manu Asthana, President and Chief Executive Officer (ex officio)
- Mark Takahashi, Chair
- Terry Blackwell
- Paula Conboy
- Jeanine Johnson
- Margo Loebel
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Present for the meeting, or a portion of the meeting, were the following PJM personnel:

- Frederick S. Bresler III, Sr. Vice President – Market Services
- Michael Bryson, Sr. Vice President – Operations
- Carl F. Coscia, Vice President, Chief Risk Officer
- Michael Del Viscio, Executive Director, Regulatory Compliance Officer – Law & Compliance
- Thomas DeVita, Associate General Counsel – Office of General Counsel
- Lisa M. Drauschak, Sr. Vice President, Chief Financial Officer and Treasurer
- Pauline Foley, Associate General Counsel – Office of General Counsel
- Craig Glazer, Vice President – Federal Government Policy
- Asim Z. Haque, Sr. Vice President – State & Member Services
- Scott Heffentrager, Executive Director – Physical Security & Facility Services – Corporate Client Services
- Colleen Hicks, Managing Counsel – Office of General Counsel
- Adam Keech, Vice President – Market Design & Economics
- Jessica Lynch, Associate General Counsel – Office of General Counsel
- Thomas F. O'Brien, Sr. Vice President, Chief Information Officer
- Christopher O'Hara, Sr. Vice President, General Counsel, Secretary & Chief Compliance Officer
- Ricardo Rodriguez, Executive Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board
- Kenneth S. Seiler, Sr. Vice President – Planning
- Nora Swimm, Sr. Vice President – Corporate Client Services

Present for the meeting, or a portion of the meeting, were the following non-PJM personnel:

- Joseph Bowring, President – Monitoring Analytics, LLC
- Ellen Krawiec, Chief Information Officer – Monitoring Analytics, LLC

ADMINISTRATION

Upon a motion duly made, seconded and unanimously adopted, the Board approved the minutes (including public versions) of its July 12, 2023, August 2, 2023, September 5, 2023, September 12, 2023, and September 25, 2023. David Mills abstained from the August 2, 2023, meeting approval.

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APPROVE 2024 BUDGET TARGETS

- Lisa Drauschak reviewed the Board materials on the 2024 PJM Interconnection, L.L.C. budget, including the financial assumptions and key budget drivers.

Upon a motion duly made, seconded and unanimously adopted, the Board approved the 2024 PJM Interconnection, LLC budget (Attachment A).

INDEPENDENT FILINGS

- Thomas DeVita summarized the Board materials related to PJM's exercise of its filing rights with FERC and related Board responsibilities associated with the exercise of such rights.
- Chris O'Hara discussed strategic issues associated with the exercise of PJM's filing rights.

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COMPETITIVE MARKETS COMMITTEE (CMC) REPORT

- David Mills reported on the CMC meeting held on October 2, 2023, and the materials presented therein.
- The CMC received reports on:
 - Potential enhancements to PJM's capacity, energy and reserve markets
 - Stakeholder discussions on reactive power compensation and the reform of PJM's regulation market
 - Discussions with Monitoring Analytics regarding reserve market designs, appropriate scarcity pricing levels and the capacity market

RELIABILITY & SECURITY COMMITTEE (RSC) REPORT

- Dean Oskvig reported on the RSC meeting held on October 2, 2023, and the materials presented therein.

Upon a motion duly made, and seconded, the Board unanimously approved the revisions to the 2022 RTEP relating to the addition of new baseline reliability projects (Attachment B).

- The RSC received reports on:

- Updates on 2022 Regional Transmission Expansion Plan (RTEP)
 - Overview of Order 2023 regarding Generator Interconnection Reform
 - Review of PJM security key performance indicators and metrics and cybersecurity and IT strategic plans
 - Review of PJM winter preparations and fuel update
 - Update on the Energy Management System (EMS) upgrade project
 - FERC's Winter Storm Elliott Report
 - PJM's Compliance program, which highlighted risks identified by the Reliability Issues Steering Committee
- The RSC also reviewed the RSC Committee Charter.

REGULATORY COMMITTEE (RC) REPORT

- Paula Conboy reported on the RC meeting held on September 28, 2023, and the materials presented therein. The RC received reports on:
 - Federal regulatory issues including PJM's testimony on reliability concerns
 - State policy solutions updates including the state regional transmission planning process and EPA rulemaking comments regarding timing concerns on reliability
 - Significant PJM regulatory filings made by PJM

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FINANCE COMMITTEE (FC) REPORT

- Jeanine Johnson reported on the Finance Committee Meetings held on July 27, 2023, and August 31, 2023. The FC received reports on:
 - PJM's second-quarter 2023 financial review of operating expenses, capital spending and unaudited financial statements for the quarter ending June 30, 2023
 - PJM's 2023 forecasted operating expenses and capital spending
 - OPSI and IMM's 2024 budgets
 - Monitoring Analytics, NERC, OPSI and Consumer Advocates of PJM States (CAPs) proposed 2024 budgets
 - PJM's 2024 budget

Adam Keech, Craig Glazer, Thomas O'Brien, and Ricardo Rodriguez exited at 3:57 p.m.

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Resolution for the Meeting of the PJM Board of Managers

October 3, 2023

Approval of 2024 Net Operating Expense and Capital Budgets and Federal Energy Regulatory Commission (FERC) Fee Service Category Rate

WHEREAS, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., section 7.5.2 provides that the PJM Board of Managers (Board) is responsible for approving PJM's annual operating and capital budgets;

WHEREAS, by letter dated September 19, 2023, the PJM Finance Committee has recommended that the Board approve a 2024 net operating expense budget in the amount of \$365 million, a 2024 capital budget in the amount of \$44 million, and a 2024 FERC fee service category rate of \$0.1346 per megawatt hour of load served;

WHEREAS, the Board has reviewed the components of the proposed 2024 net operating expense and capital budgets and the FERC fee service category rate presented to the PJM Finance Committee; and

WHEREAS, the Board has carefully considered the PJM Finance Committee advice and recommendations and agrees that the budgets and FERC fee service category rate should be approved as proposed.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a 2024 net operating expense budget of \$365 million, a 2024 capital budget of \$44 million, and a 2024 FERC fee service category rate of \$0.1346 per megawatt hour of load served to be effective January 1, 2024.

Resolution for the Meeting of the PJM Board of Managers

October 3, 2023

2022 Regional Transmission Expansion Plan

WHEREAS, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., Schedule 6, section 1.6 (a) provides that the PJM Board of Managers shall approve additions and changes to the Regional Transmission Expansion Plan (RTEP), in accordance with the requirements of Operating Agreement, Schedule 6 and cost allocations for transmission enhancements and expansions consistent with PJM Open Access Transmission Tariff, Schedule 12 (Tariff, Schedule 12);

WHEREAS, the Transmission Expansion Advisory Committee (TEAC) has reviewed and been provided the opportunity to comment on the elements of the changes to the 2022 RTEP; and

WHEREAS, the Board of Managers has reviewed the RTEP material developed by PJM in consultation with the TEAC, including the proposed transmission expansions and enhancements and cost allocations related to the proposed additions and changes to the 2022 RTEP, and the recommendations of the Board of Managers Reliability and Security Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Managers hereby approves the additions and changes to the 2022 RTEP resulting in an overall net increase of approximately \$0.69 million, and associated cost allocations in accordance with Tariff, Schedule 12, as such may be modified by the Federal Energy Regulatory Commission (FERC), resulting from:

- (a) New baseline projects totaling approximately \$2.33 million comprised of PJM reliability criteria expansions and enhancements; and
- (b) Scope and cost changes to one (1) existing approved RTEP baseline project totaling a \$1.64 million net decrease.

The Board of Managers further directs PJM to file with the FERC under Federal Power Act section 205, within 30 days of the date of this approval, the cost allocations for each approved RTEP baseline project as required pursuant to the PJM Tariff, Schedule 12, section (b)(viii).