

Markets and Reliability Committee
The Chase Center on the Riverfront, Wilmington, DE
December 22, 2016
9:30 a.m. – 3:00 p.m. EPT

Administration (9:30-9:35)

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

Endorsements/Approvals (9:35-11:15)

1. Draft Minutes (9:35-9:40)

Approve minutes of the November 17, 2016 meeting of the Markets and Reliability Committee (MRC).

2. PJM Manuals (9:40-10:10)

- A. Mr. Augustine Caven will review proposed revisions to Manual 10: Pre-Scheduling Operations regarding the periodic review of the manual, end of outage reporting and the 72-hour maintenance outage recall process. **The committee will be asked to endorse these proposed revisions.**
- B. Mr. Chris Pilog will review proposed changes to Manual 13: Emergency Operations. **The committee will be asked to endorse these proposed revisions.**
- C. Mr. Augustine Caven will review proposed revisions to Manual 14D: Generator Operational Requirements regarding fuel limitation reporting. **The committee will be asked to endorse these proposed revisions.**

3. Replacement of Capacity Obligations (10:10-10:40)

Mr. Stu Bresler and Dr. Joe Bowring will present proposed revisions to Manual 18: Capacity Market regarding the immediate replacement of capacity obligations. **The committee will be asked to endorse these proposed revisions.**

4. Residual ARR Enhancements (10:40-10:55)

Mr. Brian Chmielewski will present the proposed solution to the Residual ARR Enhancements issue. **The committee will be asked to endorse this package and proposed manual revisions.**

5. FTR Undiversified Credit Adder (10:55-11:15)

Mr. Hal Loomis will present proposed revisions to the FTR undiversified credit adder. **The committee will be asked to endorse the proposed revisions.**

First Readings (11:15-2:15)

6. PJM Capacity Problem Statement / Issue Charge (11:15-11:45)

Mr. Ed Tatum, American Municipal Power, will present an updated problem statement / issue charge regarding PJM Capacity. The committee will be asked to approve the proposed problem statement /

issue charge at its next meeting.

7. Underperformance Risk Management Sr. Task Force (URMSTF) (11:45-12:00)

Ms. Rebecca Carroll will present a proposal regarding participation as Capacity Performance by resources external to PJM's footprint. The committee will be asked to endorse these proposed revisions at its next meeting.

8. Energy Market Uplift Senior Task Force (EMUSTF) (12:45-1:00)

Mr. Dave Anders will discuss the activities of the EMUSTF, and present a Phase 1 proposal endorsed by the EMUSTF. The committee will be asked to endorse the proposal at its next meeting.

9. Market Operations Price Transparency (1:00-1:15)

Mr. Rami Dirani will present a proposed problem statement / issue charge regarding Market Operations Price Transparency. The committee will be asked to approve the proposed problem statement / issue charge at its next meeting.

10. Operating Parameters (1:15-1:30)

Mr. Tom Hauske, PJM, will review proposed revisions to the PJM Tariff, and Manual 11: Energy & Ancillary Services Market Operations, Manual 12: Balancing Operations, and Manual 28: Operating Agreement Accounting regarding Operating Parameters. The committee will be asked to endorse these governing document revisions at its next meeting.

11. Governing Documents Enhancement & Clarification Subcommittee (GDECS) (1:30-1:45)

Ms. Janell Fabiano will present proposed Tariff, Operating Agreement (OA) and Reliability Assurance Agreement revisions regarding clean-up of definitions. The Committee will be asked to endorse these proposed revisions at its next meeting.

12. PJM Manuals (1:45-2:15)

- A. Mr. Eric Hsia will present revisions to Manual 11: Energy & Ancillary Services Market Operations and Manual 12: Balancing Operations to account for the updated Regulation Requirement developed by the Regulation Market Senior Issues Task Force. The committee will be asked to endorse the proposed revisions at its next meeting.
- B. Mr. Ray Fernandez will present revisions to Manual 27: Open Access Transmission Tariff Accounting as part of an annual review process. The committee will be asked to endorse the proposed revisions at its next meeting.
- C. Mr. Liem Hoang will present proposed revisions to Manual 38: Operations Planning. The committee will be asked to endorse the proposed revisions at its next meeting.
- D. Ms. Kim Sauerwine will present proposed revisions to Manual 40: Training and Certification Requirements. The committee will be asked to endorse the proposed revisions at its next meeting.

Informational Updates (2:15-3:00)

13. Extended Winter Transmission Outage (2:15-2:25)

Ms. Nancy Huang will discuss extended transmission outages for the 2016/17 winter.

14. Joint Operating Agreement (JOA) Revisions (2:25-2:40)

Mr. Phil D'Antonio will provide a status update on JOA revisions related to the new operating protocols for the PJM/NYISO interface.

15. Fuel Cost Policy (2:40-3:00)

Mr. Jeff Schmitt will provide an update on proposed revisions to Manual 15: Cost Development Guidelines regarding Fuel Cost Policies. The committee will be asked to endorse these proposed revisions upon FERC approval of the related compliance filing.

Future Agenda Items (3:00)

Future Meeting Dates

January 26, 2017	9:00 a.m.	Wilmington, DE
February 23, 2017	9:00 a.m.	Wilmington, DE
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.	Chicago, IL
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
<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: 20px;"> <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: 20px;"> <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. 	
<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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