

BOARD OF MANAGERS MEETING MINUTES

January 27, 2022

A meeting/conference call of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at approximately 5:30 p.m. on January 27, 2022.

The following Board members were present, constituting a quorum:

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

Present for the meeting were the following PJM personnel:

- Stu Bresler, Senior Vice President – Market Services
- Craig Glazer, Vice President – Federal Government Policy
- Asim Haque, Vice President – State & Member Services
- Chris O'Hara, Senior Vice President, General Counsel, Secretary & Chief Compliance Officer
- Nigeria Bloczynski, Vice President – Chief Risk Officer – Risk Management
- Lisa Drauschak, Vice President – Chief Financial Officer – Finance
- Michael Bryson, Senior Vice President – Operations
- Danielle Croop, Manager – Market Design
- Thomas DeVita, Assistant General Counsel Danielle Croop, Manager, Market Design
- Colleen Hicks, Associate General Counsel
- Lisa Salmon, Executive Assistant to the President & PJM Board

HILL ENERGY RESOURCE & SERVICES DEFAULT

- Nigeria Bloczynski provided an update on actions that PJM has taken with respect to the Hill Energy Resource & Services default including collateral calls and unreasonable credit risk determinations. Bloczynski further reviewed other market participants with similar exposure to the constraint and related credit/risk activity.
- Lisa Drauschak provided an update on the default allocation structure.
- Chris O'Hara provided an update on the commencement of legal action against HERS and Lee Chen.
- Stu Bresler reviewed the meeting materials with respect to the congestion issue in the Northern Neck of Virginia, including possible mitigants. Bresler further explained the application of the penalty factor does not appear to be providing a price signal that the market can respond to in the short term or long term. Bresler explained the rationale for a limited Section 206 filing to the OA and Section 205 filing to the Tariff to create exception to the application of the penalty factor in this limited instance, and reviewed proposed language.
- **Upon a motion made and duly seconded, the Board unanimously approved with no opposition or abstentions the filing pursuant to Sections 206/205 of the FPA, a proposed revision to the Operating Agreement, Schedule 1, Section 5.6.3 together with a corresponding change to the Tariff as further set forth on Slide 15 of the meeting materials.**

ORDER 2222 – Net Energy Metering

Danielle Croop and Thomas DeVita, joined the meeting.

- Bresler introduced Danielle Croop who provided a high level summary of Net Energy Metering (NEM) and PJM's proposal for wholesale market participation of resources participating in NEM programs. Croop addressed the concerns raised by Advanced Energy Economy (AEE), on behalf of itself and Advanced Energy Management Alliance (AEMA) set forth in their letter dated January 24, 2022, regarding PJM's proposed treatment of NEM resources. Croop further reviewed PJM's proposed response to their concerns. The Board expressed support for PJM's adjustment to its position and proposed response to AEE and AEMA.

At approximately 8:15 p.m., the meeting adjourned.

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