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## **DRAFT**

# **BOARD OF MANAGERS MEETING MINUTES**

### **December 11, 2023**

A meeting of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened via MS Teams at approximately 1 p.m. on December 11, 2023.

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

- Manu Asthana, President & 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:

- Stu Bresler, Executive Vice President – Market Services and Strategy
- Michael Bryson, Sr. Vice President – Operations
- Carl Coscia, Vice President, Chief Risk Officer
- Lisa Drauschak, Sr. Vice President, Chief Financial Officer and Treasurer
- Craig Glazer, Vice President – Federal Government Policy
- Mary Hall, Manager – Client Management
- Asim Haque, Sr. Vice President – Governmental & Member Services
- Colleen Hicks, Managing Counsel
- Christopher Holt, Associate General Counsel
- Adam Keech, Vice President – Market Design & Economics
- Paul McGlynn, Vice President – Planning
- Thomas F. O'Brien, Sr. Vice President, Chief Information Officer
- Christopher O'Hara, Sr. Vice President, General Counsel
- Ricardo Rodriguez, Executive Director – Internal Audit
- Lisa Salmon, Executive Assistant to the President & PJM Board



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- Kenneth S. Seiler, Sr. Vice President – Planning
  - David Souder, Executive Director – System Operations
  - Nora Swimm, Sr. Vice President – Corporate Client Services
  - Jennifer Tribulski, Sr. Director, Member Services – Governmental & Member Services

## ADMINISTRATION

**Upon a motion duly made, seconded and unanimously adopted, the Board approved the minutes (including public versions) of its October 3, 2023, October 11, 2023, and November 21, 2023, meetings.**

## REVIEW OF WILDFIRE RISKS

Michael Bryson and Chris Holt reviewed the Board materials related to the risks posed to PJM by wildfires and reviewed PJM's risk mitigation measures.

Holt exited the meeting at 1:40 p.m. Stu Bresler and Ricardo Rodriguez joined during the RSC report. Paula Conboy exited during the RSC report.

## RELIABILITY & SECURITY COMMITTEE (RSC) REPORT

Dean Oskvig reported on the RSC meeting held on December 8, 2023, and the materials presented therein.

- Oskvig provided background of the proposed 2022 RTEP – Window 3 baseline projects, the evaluation of the transmission projects, and the process leading to the Committee's request for the approval of the proposed upgrades.
- The Board discussed the size, scope, need, cost and timing issues associated with the 2022 RTEP – Window 3 baseline upgrades.
- The Board discussed the letters received regarding the 2022 RTEP – Window 3 upgrades and the proposed responses.

**Upon a motion duly made, and seconded, the Board approved baseline reliability projects associated with the 2022 RTEP – Competitive Window 3. Conboy did not participate in the vote. (Attachment A)**

**Upon a motion duly made, and seconded, the Board unanimously approved the Installed Reserve Margin (IRM) study results and the IRM and Forecast Pool Requirement (FPR) for delivery years 2024/2025, 2025/2026, 2026/2027 and 2027/2028. Conboy did not participate in the vote. (Attachment B)**

- Oskvig further reported the RSC received reports on:
  - Long-term load forecast process improvements
  - PJM winter operations
  - A potential noncompliance issue associated with the NERC CIP audit
  - Energy Management System (EMS) Phase 2 budget

Mary Hall, Dave Souder and Jen Tribulski exited the meeting at 2:30 p.m.



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## RISK & AUDIT COMMITTEE (RAC) REPORT

- Margo Loebel reported on the RAC meeting held on December 5, 2023, and the materials included therein.
- Loebel reported that the RAC received reports on:
  - PJM financial risk matters, including the status of uncollateralized credit, transition of the confidence interval used in PJM's historical simulation model from 97% to 99%, updates from the Risk Management Committee activities regarding capacity bilateral transactions, Know Your Customer (KYC) enhancements, PJM's enterprise risk management survey, and the results and updates on lessons learned from prior events
  - The status of the 2023 Internal Audit plan, other updates and the proposed 2024 Internal Audit Plan
  - The status of PJM's SOC1 audit including PwC's required communications and PJM's management letter to PwC
- The RAC approved the RAC 2024 work plan.

## BOARD GOVERNANCE COMMITTEE (BGC) REPORT

- Charles Robinson reported on the BGC meeting held on December 4, 2023, and the material provided therein.
- Robinson reported that the BGC received the Regulatory Oversight and Compliance Committee (ROCC) report, and Mike Del Viscio informed the BGC of the following:
  - The ROCC recommended a self-report for seven new matters reviewed since the last BGC meeting, of which six are FERC related and one is NERC related. No impact was identified for any of those matters. Three of the FERC-related matters were the result of inadvertent disclosures of member confidential information.
  - PJM has implemented additional controls to help ensure compliance with periodic filing requirements and reporting obligations documented in PJM's Annual Company Compliance Plan.
  - FERC closed five previously submitted self-reports, and ReliabilityFirst closed out four self-reports related to the NERC Critical Infrastructure Protection (CIP) standards – all without any monetary penalty or further corrective action.
  - PJM received two compliance-related complaints filed with FERC.
  - FERC has closed 12 of the 20 recommendations in the FERC audit report, and PJM has submitted evidence of completion for six additional recommendations. The last two FERC audit recommendations are scheduled for completion in 2024.
  - Two instances of potential noncompliance will be self-reported for the late delivery of documentation and data required by FERC Order 760. PJM continues to work to achieve and sustain improvements to address recommendations in the FERC audit report related to Order 760 compliance.
  - PJM is conducting a comprehensive review of its firewall rules to identify and remediate instances of potential noncompliance beyond those identified during the recent audit of the NERC CIP standards.
  - PJM is prepared to comply with updated versions of four existing NERC standards that will become effective on January 1.
- The BGC also received reports on the mitigation actions associated with the significant disclosure of member confidential information and PJM's efforts and commitments to prevent such reoccurrences.

All persons exited the meeting at 2:53 p.m. except for Christopher O'Hara and Manu Asthana.



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## **EXECUTIVE SESSION**

The Board met in an Executive Session and reviewed the recent PJM sector meetings.

O'Hara and Asthana exited the meeting at 3:15 p.m.

## **CLOSED SESSION**

The Board met in Closed Session.

The Board adjourned at approximately 4 p.m.

Respectfully submitted,

Colleen Hicks  
Assistant Secretary

## Resolution for the Meeting of the Board of Managers

December 11, 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 \$5,223.98 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 \$5,142.98 million comprised of PJM reliability criteria expansions and enhancements;
- (b) Scope and cost changes to two (2) existing approved RTEP baseline projects totaling approximately a \$32.17 million net decrease;
- (c) Cancellation of two (2) existing approved RTEP baseline projects totaling approximately a \$24.96 million net decrease;
- (d) New required Network Upgrades for New Service Requests totaling approximately \$179.58 million; and
- (e) The cancellation of three (3) Network Upgrades totaling approximately a \$41.45 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).

## Resolution for the Meeting of the PJM Board of Managers

December 8, 2023

### Installed Reserve Margin

WHEREAS, Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, Schedule 4, section B, provides that the PJM Board of Managers (Board) is responsible for annually establishing the Forecast Pool Requirement, including the PJM Region Installed Reserve Margin, no later than three months in advance of each Base Residual Auction for a Delivery Year based on the projections described in Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, Schedule 4, section C, and after consideration of the recommendation of the Members Committee;

WHEREAS, Reliability Assurance Agreement among Load Serving Entities in the PJM Region, Schedule 4.1, also provides that the Board is responsible for annually establishing the Forecast Pool Requirement based on the Board-approved Installed Reserve Margins;

WHEREAS, PJM has developed proposed Installed Reserve Margins and Forecast Pool Requirements for the 2024/2025, 2025/2026, 2026/2027 and 2027/2028 Delivery Years;

WHEREAS, the Members Committee has reviewed the proposed Installed Reserve Margins and Forecast Pool Requirements and endorsed by acclamation with no objections and five abstentions; and

WHEREAS, the Reliability & Security Committee has endorsed the proposed Installed Reserve Margins and Forecast Pool Requirements for the 2024/2025, 2025/2026, 2026/2027 and 2027/2028 Delivery Years and recommends the Forecast Pool Requirement as established by the Board based on the Installed Reserve Margin as presented to the full Board for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the Installed Reserve Margins (IRM) used to establish the Forecast Pool Requirements (FPR) for the 2024/2025, 2025/2026, 2026/2027 and 2027/2028 Delivery Years, as follows:

<b>Delivery Year: 2024/2025</b> Installed Reserve Margin = 17.7% Forecast Pool Requirement = 1.1170	<b>Delivery Year: 2026/2027</b> Installed Reserve Margin = 17.7% Forecast Pool Requirement = 1.1172
<b>Delivery Year: 2025/2026</b> Installed Reserve Margin = 17.7% Forecast Pool Requirement = 1.1171	<b>Delivery Year: 2027/2028</b> Installed Reserve Margin = 17.6% Forecast Pool Requirement = 1.1165