



MEETING MINUTES
FMU Adders and RPM Supply Curve Transparency (MIC)

Meeting 3

PJM Conference and Training Center
January 27, 2014 (9:30 am – 12:15 pm)

Members Present:

| | | |
|-----------------------------|------------------------------------|----------------------|
| Ford, Adrien (Chair) | PJM Interconnection, LLC | Not Applicable |
| Johnson, Carl | Customized Energy Solutions, Ltd.* | Not Applicable |
| Foladare, Kenneth | Iron Mountain Generation LLC | Generation Owner |
| Kogut, George | New York Power Authority | Other Supplier |
| Lieberman, Steven | Old Dominion Electric Cooperative | Electric Distributor |
| Brodbeck, John | Potomac Electric Power Company | Electric Distributor |
| Pratzon, David | GT Power Group | Not Applicable |
| Hyzinski, Tom | PPL EnergyPlus, L.L.C. | Transmission Owner |
| Portray, Annaka (Secretary) | PJM Interconnection, LLC | Not Applicable |

Also in Attendance:

| | | |
|-------------------|---------------------------|----------------|
| Borgatti, Michael | Gable and Associates | Not Applicable |
| Bowring, Joe | Monitoring Analytics, LLC | Not Applicable |
| Dadourian, John | Monitoring Analytics, LLC | Not Applicable |
| Brown, Rich | PJM Interconnection, LLC | Not Applicable |
| Anders, David | PJM Interconnection, LLC | Not Applicable |
| Bresler, Stu | PJM Interconnection, LLC | Not Applicable |
| Zadlo, Thomas | PJM Interconnection, LLC | Not Applicable |

Attended via WebEx or Teleconference:

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| Baran, Eric | Allegheny Electric Cooperative, Inc. | Electric Distributor |
| Long, Scott | Allegheny Electric Cooperative, Inc. | Electric Distributor |
| Terry, Jonathan | Allegheny Electric Cooperative, Inc. | Electric Distributor |
| Norton, Chris | American Municipal Power, Inc. | Electric Distributor |
| Ondayko, Brock | Appalachian Power Company | Transmission Owner |
| Bloom, David | Baltimore Gas and Electric Company | Transmission Owner |
| Johnson, Carl | Customized Energy Solutions, Ltd.* | Not Applicable |
| Dessender, Harry | Customized Energy Solutions, Ltd.* | Not Applicable |
| Filomena, Guy | Customized Energy Solutions, Ltd.* | Not Applicable |
| Horstmann, John | Dayton Power & Light Company (The) | Transmission Owner |
| Maucher, Andrea | Div. of the Public Advocate / State of Delaware | End-use Customer |
| Rajan (ES), Abhijit | Dominion Resources | Not Applicable |
| Peoples, John | Duquesne Light Company | Transmission Owner |
| Dugan, Chuck | East Kentucky Power Cooperative, Inc. | Transmission Owner |
| Kilgallen, Kevin | Emerald Energy | Not Applicable |
| Ainspan, Malcolm | Energy Curtailment Specialists, Inc. | Other Supplier |
| Stadlmeyer, Rebecca | Exelon | Not Applicable |



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|----------------------|---------------------------------------|----------------------|
| Barker, Jason | Exelon Business Services Company, LLC | Transmission Owner |
| Stadelmeyer, Rebecca | Exelon Business Services Company, LLC | Transmission Owner |
| Bolan, Martin | First Energy Solutions Corp | Transmission Owner |
| O'Connell, Robert | JPMorgan Ventures Energy Corporation | Other Supplier |
| Mabry, David | McNees Wallace & Nurick, LLC | Not Applicable |
| Josyula, Siva | Monitoring Analytics, LLC | Not Applicable |
| Suh, Jung | Noble Americas Energy Solutions LLC | Other Supplier |
| Bonanni, John | NRG Power Marketing LLC | Generation Owner |
| Carmean, Gregory | OPSI | Not Applicable |
| McNamara, Sean | PJM Interconnection, LLC | Not Applicable |
| Rothman, Rich | PJM Interconnection, LLC | Not Applicable |
| Schmitt, Jeff | PJM Interconnection, LLC | Not Applicable |
| Tribulski, Jennifer | PJM Interconnection, LLC | Not Applicable |
| Godson, Gloria | Potomac Electric Power Company | Electric Distributor |
| Hyzinski, Tom | PPL EnergyPlus, L.L.C. | Transmission Owner |
| Greening, Michele | PPL EnergyPlus, L.L.C. | Transmission Owner |
| Heizer, Fred | Public Utilities Commission of Ohio | Not Applicable |
| Etnoyer, Scott | Raven Power Marketing LLC | Generation Owner |
| Jostworth, Kimberly | RBC Energy Services LP | Other Supplier |
| Hoatson, Tom | Riverside Generating, LLC | Other Supplier |
| Sudhakara, Raghu | Rockland Electric Company | Transmission Owner |
| Wilson, James | Wilson Energy Economics | Not Applicable |

1. Administration

The subgroup approved the minutes from December 4, 2013 meeting. The approved minutes will be posted to December 4, 2013 meeting materials.

2. RPM Supply Curve Transparency

Ms. Adrien Ford provided guidance concerning supply curve criteria and stakeholders continued developing design criteria on the draft matrix. Mr. Thomas Zadlo led a discussion on sample supply curves explaining sample data and calculations. Stakeholders are requested to use the posted sample curves when developing their proposed smoothing methods. The group discussed a standardized set of measurements (such as curve fit) that a stakeholder would be required to supply when offering a smoothing method. These measurements will be finalized at the next meeting. A request was made for the location of the existing rules governing RPM supply curve smoothing – those rules are located in Section 5.11(f) of Attachment DD of the Tariff.

3. Frequently Mitigated Unit Adders

Ms. Adrien Ford addressed two requests from the December 4, 2013 meeting; one related to Transmission Planning information and one concerning questions from Dr. Joseph Bowring's presentation. Mr. Stu Bresler discussed recent trends observed by PJM and stated that PJM executives now feel that due to these recent trends this issue has become much more critical. These trends include sharp increases in FMU counts as well as a large number of FMUs that have high numbers of run hours. PJM feels that the FMU adders were originally intended for peaking units, and that high FMU adders for these high run-hour units were likely not intended and are not appropriate. Ms. Adrien Ford discussed a revised work plan with the group that would target a filing with the FERC by May 1, 2014. Several stakeholders stated that the revised work plan would not offer adequate time for a well-considered solution. Ms. Ford and Mr. Bresler stated they would convey this information in further internal PJM discussions. Stakeholders had the



opportunity to refine design components on the FMU adders draft matrix. Mr. David Anders, PJM, led stakeholders through further development of component options and provided a preliminary timeline for providing solutions options.

Revised Timeline

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|-------------------|---|
| February 7, 2014 | Stakeholders submit input for component options |
| February 10, 2014 | PJM will post submitted component options |
| February 14, 2014 | Stakeholders submit input for Solution Packages |
| February 18, 2014 | PJM will post submitted Solution Packages |

Stakeholders are asked to please provide solution packages prior to the February 18 FMU meeting. Input on component options and packages should be submitted to annaka.portray@pjm.com

4. Future meeting dates

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|-------------------|--------------------|--|
| February 18, 2014 | 1:00 pm – 4:00 pm | Conference and Training Center / WebEx |
| February 25, 2014 | 1:00 pm – 4:00 pm | Conference and Training Center / WebEx |
| March 12, 2014 | 9:00 am – 12:00 pm | Conference and Training Center / WebEx |
| April 2, 2014 | 9:00 am – 12:00 pm | Conference and Training Center / WebEx |

Author: Annaka Portray

DMS# 780098