



Draft Meeting Minutes
PJM Interconnection
Cost Development Subcommittee (275th Meeting)
PJM Conference & Training Center
Monday September 10, 2012
10:00 AM

Members in attendance:

Schmitt , Jeff (Chair)	PJM Interconnection, LLC	Not Applicable
Ciampaglio, Anthony	Constellation Energy Commodities Group, Inc.	Other Supplier
Seymour, Melissa	IBERDROLA RENEWABLES, Inc.	Generation Owner
Walter . Laura (Secretary)	PJM Interconnection, LLC	Not Applicable

Also in attendance:

Josyula, Siva	Monitoring Analytics	Not Applicable
Dugan, William	Monitoring Analytics, LLC	Not Applicable
Eichorn, Sarah	PJM Interconnection, LLC	Not Applicable
Ford, Adrien	PJM Interconnection, LLC	Not Applicable
Zadlo, Thomas	PJM Interconnection, LLC	Not Applicable

Teleconference / WebEx Participants:

Demoan, Susan	AEP	Transmission Owner
Ondayko, Brock	AEP	Transmission Owner
Penwell, Julie	AEP	Transmission Owner
Bloom, David	Baltimore Gas and Electric Company	Transmission Owner
Berlinski, Michael	Beacon Power Corporation	Other Supplier
Filomena, Gary	Customized Energy Solutions, Ltd.*	Not Applicable
Keefer, Brian	Customized Energy Solutions, Ltd.*	Not Applicable
McDonald, Steve	Customized Energy Solutions, Ltd.*	Not Applicable
Horstmann, John	Dayton Power & Light Company (The)	Transmission Owner
Slade, Louis	Dominion	Not Applicable
Via, Troy	Dominion	Not Applicable
Ayers-Brasher, Jennifer	E.ON Climate & Renewables North America, Inc.	Generation Owner
Ellis, Jeff	Edison Mission	Generation Owner
Ainspan, Malcolm	Energy Curtailment Specialists, Inc.	Other Supplier
Renninger, Matt	Energy Curtailment Specialists, Inc.	Other Supplier
Lindeman, Tony	FirstEnergy Solutions Corp.	Transmission Owner
Palcic, Ronald	FirstEnergy Solutions Corp.	Transmission Owner
Zdenek, Pam	Infigenenergy	Not Applicable
Orzell, Chris	Invenergy	Generation Owner
O'Connell, Bob	JP Morgan	Not Applicable
Wisersky, Megan	Madison Gas and Electric Company	Other Supplier
Bruce, Susan	McNees Wallace and Nurick	Not Applicable
Gil, David	NextEra Energy Power Marketing, LLC	Generation Owner
Esposito, Patricia	NRG Power Marketing LLC	Generation Owner
Burcat, Bruce	Other	Not Applicable
Sandherr, Bob	PPL	Transmission Owner



Citrolo, John
Nobile, Joe
Lichtin, Steven

PSEG
Richland-Stryker Generation LLC
Unknown

Transmission Owner
Generation Owner
Not Applicable

1. **ADMINISTRATION (10:00 – 10:10)**

Mr. Schmitt reviewed the Antitrust, Code of Conduct, Media Participation Policy and Roll Call.

CDS endorsed the minutes from the 274th CDS held on August 13, 2012.

CDS endorsed the Agenda for the 275th CDS.

2. **DEMAND RESPONSE (DR) SHUTDOWN COSTS (10:10 – 11:00) [ISSUE TRACKING](#)**

CDS began determining design components and then decided that more information is needed so PJM will send out a survey prior to the next CDS and present results in October. PJM will also pre populate design components on the matrix for the next meeting.

3. **WIND COST OFFERS: UNITS NOT ADDRESSED IN MANUAL 15 (11:00 – 12:00) [ISSUE TRACKING](#)**

CDS discussed the reformatted packages and focused heavily on the merits and details of a cost floor. CDS agreed (without objection) to move forward with reformatted package two. This solution package:

- A. Does not include a cost floor for any type of units.
- B. RECS and PTCs can be included as a negative in the cost based offer.
- C. VOM can be included in the cost based offer. Maintenance Cost includes short run Wear and Tear on the Unit (including preventative & scheduled; not including capital). Rolling 12 month historic VOM divided by MWh.
- D. "Fuel Cost Policy" will be provided to the MMU.
- E. Start cost for wind includes station Service and can be included in the cost based offer.

PJM will bring manual language incorporating this solution package to the next CDS.

4. **FUEL COST PROBLEM STATEMENT (12:30 – 12:45)**

Mr. Ciampaglio, Exelon, presented a problem statement and CDS decided to take up the issue and will start education at the October CDS.



5. ALLOCATION OF REGULATION COST BASED OFFERS (12:45 – 1:00)

Mr. Dugan, MMU, presented the MMU concerns that performance based regulation (PBR) should be adequately defined in M15. PJM believes that no change to the manual is necessary prior to October 1, 2012 Go-Live for PBR. MMU will bring a problem statement to the next CDS.

6. CYCLIC PEAKING FACTORS (1:00 – 1:05) [ISSUE TRACKING](#)

This item was deferred to the October CDS meeting due to PJM staff availability.

7. FUTURE MEETINGS

Monday, October 15, 2012	10:00 am until 3:00 pm	PJM CTC
Monday, November 5, 2012	10:00 am until 3:00 pm	PJM CTC

Anti-trust:

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. PJM Members are also not allowed to create audio, video or online recordings of PJM meetings.

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