



Market Implementation Committee Report
PJM Interconnection
Operating Committee / Markets and Reliability Committee / Members Committee
PJM Conference & Training Center
Audubon, PA
April 2014

The Market Implementation Committee met on April 9 at the PJM Conference and Training Center in Audubon, PA. The following topics were discussed at the meeting:

- A) Measurement and Verification for Residential Demand Response in Energy and Capacity Markets Problem Statement
Ms. Shira Horowitz, PJM, presented a problem statement related to reviewing measurement and verification. **The committee endorsed the problem statement with 0 objections and 3 abstentions.** The committee will be asked to endorse the issue charge at the May MIC.

- B) Clarification to Tariff and Manuals for Synchronized Reserve Market Penalty Charges
Ms. Suzanne Coyne, PJM, presented proposed clarifications to the Tariff/OA, Manuals 11 and 28 to account for aggregate response when determining Synchronized Reserve penalty charges for Tier 2 resources, and other clarifications to ensure accuracy of terms used in the Tariff and OA. **The committee endorsed the revisions by acclamation with 0 objections 0 abstentions**

Other Topics

- C) Revisions to Definition of Zonal Base Load (OA 1.3.39)
Mr. Brian Chmielewski, PJM, will present revisions to the definition of zonal base load. The vote on this issue was delayed as the committee wanted to revisit the word "normal" as not being specific enough, as it pertained to normal operating conditions. PJM will discuss a change internally and bring back for endorsement at the next MIC.

- D) Revisions to Manual 28: Operating Agreement Accounting
Ms. Suzanne Coyne, PJM, presented a first read of additional details and cleanup items. The committee will be asked to endorse the revisions in May.

- E) Qualified Transmission Upgrade Credit Issue
The committee continued with the Consensus Based Issue Resolution (CBIR) process and identified stakeholder interests and started developing design components. Participants are requested to send potential solutions or packages to laura.walter@pjm.com by April 28 for discussion at the May MIC.

- F) RPM Changes applicable to the upcoming Base Residual Auction
Mr. Paul Scheidecker, PJM, presented RPM changes applicable and potentially applicable to the upcoming Base Residual Auction.

- G) Demand Response Existing MW Proposed Manual Change
Mr. Pete Langbein, PJM, presented a first read of proposed Manual 18 changes from the Demand Response Subcommittee that would allow a curtailment service provider to add additional MWs as "existing" for offer into RPM auction through an exception process if the nominated amount on the registration is low because the peak load contribution is low due to a load data anomaly. The committee will be asked to endorse the revisions in May.



- H) Demand Response Deficiency Letter
Mr. Pete Langbein, PJM, reviewed the deficiency letter and proposed tariff revisions which will allow DR capacity compliance to be aggregated by "Capacity Aggregation Area" and following define "Load Management Event" in case FERC orders PJM to make a compliance filing to incorporate these changes into the tariff...
- I) Intermittent Resources Task Force Charter Update
Mr. Ken Schuyler, PJM, presented an updated charter for the IRTF. The committee will be asked to endorse the revisions in May.
- J) Energy / Reserve Pricing & Interchange Volatility
Ms. Lisa Morelli, PJM, presented an update on solution packages being developed by the Energy / Reserve Pricing & Interchange Volatility special sessions of the MIC. The committee will be asked for endorsement of the proposed solutions at the May meeting.
- K) Resource Flexibility Survey Results
Mr. Eric Hsia, PJM, presented an update on the resource flexibility survey results.
- L) Interregional Coordination Update
Ms. Rebecca Carroll, PJM, presented an update on interregional coordination.
- M) Billing Line Item Transfers
Mr. Hal Loomis, PJM, explained upcoming changes to credit exposure measurement and corresponding credit requirements for those members that are engaged in billing line item transfers.
- N) Measurement of Credit Exposure
Mr. Hal Loomis, PJM, explained upcoming improvements to the internal measure of current exposure.
- O) Potential Demand Bid Volume Limits
Mr. Hal Loomis, PJM, provided a presentation of the historical peak analysis of demand bids.
- P) Frequently Mitigated Units (FMU)
Ms. Adrien Ford, PJM reviewed survey results as part of the first read of the proposed solution from on Frequently Mitigated Units.
- Q) Member Default Discussion
Ms. Michelle Souder, PJM, presented conforming Manual updates to incorporate communications surrounding load reallocation due to member default. The committee will be asked for endorsement of the proposed solutions at the May meeting.
- R) Special Protection Scheme (SPS) at Jenkins
Mr. Paul D. Santarelli, PPL, reviewed a new Special Protection Scheme (SPS) at Jenkins.
- S) Calpine Special Protection Scheme (SPS) Update
Mr. Thomas M. Piascik, Tangibl LLC, reviewed a new Special Protection Scheme (SPS).

The next MIC meeting is scheduled for **May 7, 2014** at the PJM Conference and Training Center.