



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

The Market Implementation Committee met on October 8, 2014 at the PJM Conference and Training Center in Audubon, PA. The following topics were discussed at the meeting:

A) Tier 1 Payments

Dr. Joseph Bowring, Monitoring Analytics, presented a problem statement regarding payment in the Synchronized Reserve Market for Tier 1 resources. **The committee endorsed the problem statement with 0 objections and 8 abstentions.** The committee will vote on the Issue Charge at the November MIC meeting.

B) Timing of Replacement Capacity Transactions

Mr. Barry Trayers, Citigroup, presented a problem statement related to the timing of replacement capacity transactions. **The committee endorsed the problem statement with 0 objections and 6 abstentions.** The committee will vote on the Issue Charge at the November MIC meeting.

C) Tier 1 Capability

Mr. Michael Olaleye, PJM, presented a proposal and Manual language for the applicability for Tier 1 Capability compensation. **The committee endorsed the manual revisions with 1 objection and 1 abstention.**

D) Energy and Reserve Pricing and Interchange Volatility

Ms. Lisa Morelli, PJM, presented proposals emerging from the ERPIV working sessions.

Energy and reserve proposals were voted first. There were three proposals: the PJM proposal, the Market Monitor proposal and the Transition proposal. **The PJM proposal was voted with 169 in favor, 33 against and 14 abstentions (84% approval). The Market Monitor proposal was voted with 47 in favor, 110 against and 35 abstentions (30% approval). The Transition proposal was voted with 103 in favor, 66 against and 44 abstentions (61% approval).** The PJM proposal will move to the MRC as the primary motion with the Transition proposal as an alternate.

Next two proposals were voted to address Interchange Volatility: the PJM proposal and the Market Monitor proposal. **The PJM proposal was voted with 155 in favor, 23 against and 13 abstentions (87% approval). The Market Monitor proposal was voted with 34 in favor, 113 against and 42 abstentions (23% approval).** The PJM proposal will advance to the MRC.

E) Residential Demand Response: Participation in the PJM Synchronized Reserve Market and Measurement and Verification for Energy and Load Management



Ms. Shira Horowitz, PJM, presented two Demand Response Subcommittee Items. **The committee endorsed the items with 13 objections and 3 abstentions.**

### **Other Topics**

F) Overlapping Ancillary Service and Load Management Events

Ms. Shira Horowitz presented a first read on Manual language changes related to demand response participation in ancillary service markets during a load management event. The committee will be asked to vote on the proposed solution at the next MIC meeting.

G) Settlement of Emergency Load Response and Emergency Energy Charges

Mr. Raymond Fernandez, PJM, presented a first read of proposed Manual 28 changes from the Market Settlements Subcommittee that would include Load Reconciliation data in the settlement of Emergency Load Response and Emergency Energy Billing. The committee will be asked to vote on manual changes at the next MIC meeting.

H) Seller Credit

Ms. Suzanne Daugherty, PJM, presented a PJM proposal to remove Seller Credit, a form of unsecured credit, from the PJM credit policy. The committee will be asked to vote on the proposed solution at a future MIC meeting.

I) Winter 2015 Increment Offers and Decrement Bids Credit Requirement

Ms. Suzanne Daugherty gave an update on last month's approved problem statement and issue charge. After discussion on two Credit Subcommittee conference calls during September 2014, the Credit Subcommittee did not recommend any changes to the January / February 2015 Increment Offer and Decrement Bid credit requirements. But, the Credit Subcommittee will continue its work on potential longer-term improvements to the Increment Offer and Decrement Bid credit requirements.

J) Billing Line Item Transfer Tool Update

Ms. Susan Kenney, PJM, presented an update on the upcoming Billing Line Item Transfer Tool.

K) Member Information Reporting Application (MIRA) to replace CODA

Dr. Joseph Bowring presented an update on the new fuel data application.

L) Intermittent Resource Task Force (IRTF) Recommendations

Mr. Ken Schuyler, PJM, presented the IRTF proposal for addressing recommendations from the Renewable Integration Study.

M) Interregional Coordination Update

A. Ms. Rebecca Carroll, PJM, presented an update on interregional coordination efforts.

[Issue Tracking: Efficiency of PJM/MISO Real Time Interchange](#)

A. Mr. Asanga Perera, PJM, presented an update on PJM's efforts to increase transparency in PJM seams activities related to Congestion Management Process

N) Eastern Interface Changes

Mr. Mahesh Kumar, PJM, presented changes to the definition of the Eastern Interface.

O) Manual 3: Section 5

Mr. Simon Tam, PJM, presented removing Manual 3 Section 5 from public posting.



P) Migration to Jetstream

Mr. Ryan Nice, PJM, announced the planned retirement of the older system Jetstream is replacing and the need to migrate to Jetstream.

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