



MINUTES

MARKET MONITORING UNIT ADVISORY COMMITTEE

LOCATION: CONFERENCE AND TRAINING CENTER, PJM INTERCONNECTION

DATE: FRIDAY, DECEMBER 12, 2014, 1:00 PM

These notes are from the seventh meeting of the Market Monitoring Unit Advisory Committee (MMUAC), established pursuant to Section III.H of Attachment M of the PJM Open Access Transmission Tariff, effective August 1, 2008. Section III.H provides that the MMUAC “act as a liaison between stakeholders and the MMU” and that it “provide advice from time to time on matters relevant to the MMU’s responsibilities under this [the PJM Market Monitoring] Plan.”

1. ADMINISTRATION

The Chair, Dr. Bowring, opened the meeting and took roll.

1. REQUEST FOR STAKEHOLDER FEEDBACK

Dr. Bowring provided an overview of the IMM’s activities in 2014, and solicited and responded to questions and comments from stakeholders concerning the IMM’s implementation of the PJM Market Monitoring Plan.

2. INFORMATION DISCLOSURE

Mr. Mayes discussed the IMM’s views on protecting Member confidential information in reports and in proceedings.

Mr. Mayes explained the sources of the confidentiality rules and that Monitoring Analytics takes the protection of confidential data seriously.

Mr. Mayes indicated that the area of most concern regarding harmful information disclosure is discovery in court or regulatory proceedings, noting that from time to time the IMM and PJM have confronted data requests for PJM market information. The IMM has aggressively sought to prevent or limit such discovery. One example is the merger proceeding for the Exelon/Constellation merger in Maryland, where the IMM won very strict protections.

Mr. Mayes recommended the following areas where improvement should be considered: (i) The rules need a better definition of confidential information, (ii) the rules need to expressly address the concept of market sensitive information, as opposed to member confidential information, (iii)

the ordinary rules for discovery in litigated proceedings tend to be somewhat more liberal than is appropriate for PJM market and member information.

One solution to item (iii) would be rules pursuant to which Members would agree to prevent abuses in discovery proceedings.

Mr. Mayes noted that the IMM is considering taking action on this issue in the stakeholder process, and the Members indicated support for such action.

3. IMM ROLE IN MERGER PROCEEDINGS

Mr. Mayes discussed the role of the IMM in reviewing mergers and its participation in merger proceedings under section 203 of the Federal Power Act.

Mr. Mayes explained that the IMM consults with and has provided data to regulatory authorities reviewing mergers, including the FERC, state commissions and the U.S. Department of Justice. The IMM also has intervened and submitted comments in a number of merger proceedings with potential impacts on competition in PJM.

Mr. Mayes noted that the IMM has comments and analyses pending in three mergers and acquisitions then pending, including the proposed Exelon/PHI merger, the proposed merger that would create Talen (a new IPP), and the proposed acquisition by Dynegy of the assets of Duke Energy and Energy Capital Partners, which is pending at the FERC.

Mr. Mayes explained that the IMM's purpose and objectives generally are to provide a competition analysis that is meaningful and accurate because it analyses the mergers based on actual market conditions and provides hourly and bus specific results. The IMM typically recommends behavioral mitigation that involves securing commitments that: (i) enhance existing monitoring and mitigation, (ii) reduce the potential for physical or economic withholding, (iii) promote robust competition and (iv) enhance the independence of PJM (participation commitment).

Finally, Mr. Mayes noted that the IMM has larger concerns about the piecemeal approach to merger review and that acceptable and unacceptable market end states have not been identified.

4. IMM ANALYTICAL APPROACH TO MERGER IMPACTS

Dr. Haas discussed in detail the analytical approach taken by the Market Monitor in evaluating the impact on the market of proposed mergers.

5. COST DEVELOPMENT GUIDELINES

Dr. Bowring discussed the IMM's views on whether the approach to defining cost in the Cost Development Guidelines is adequate. Dr. Bowring indicated concern that the guidelines were not

adequate and that the Market Monitor plans to investigate alternatives, including issuing its own guidelines.

6. FUTURE MEETINGS

The membership did not indicate support for meeting more frequently than annually. Accordingly, the MMUAC plans to meet next for the review of the PJM State of the Market Report in March and again in late 2015 at a time and place to be determined.

Attendance - In Person and Teleconference

Benchek	Jim	FirstEnergy Solutions Corporation
Borgatti	Michael	Gable and Associates
Bowring	Joe	Monitoring Analytics, LLC
Brodbeck	John	Potomac Electric Power Company
Bruce	Susan	McNees Wallace & Nurick LLC
Esposito	Patricia	Atlantic Grid Operations A, LLC
Esposito	Patricia	Atlantic Grid Operations A, LLC
Fitch	Neal	NRG Power Marketing LLC
Foladare	Kenneth	IMG Midstream LLC
Fuess	James	PBF Power Marketing LLC
Griffiths	Dan	Consumer Advocates of PJM States
Guerry	Katie	EnerNOC, Inc.
Hagaman	Derek	GT Power Group
Horstmann	John	Dayton Power & Light Company (The)
Johnson	Carl	Customized Energy Solutions, Ltd.*
Kogut	George	New York Power Authority
Moerner	Lisa	Virginia Electric & Power Company
O'Connell	Robert	JPMorgan Ventures Energy Corporation
Pratzon	David	GT Power Group
Price	Ruth	Division of the Public Advocate of the State of Delaware
Stadelmeyer	Rebecca	Exelon Business Services Company, LLC
Trayers	Barry	Citigroup Energy, Inc.
Anders	David	PJM Interconnection, LLC
Baran	Eric	Allegheny Electric Cooperative, Inc.
Barker	Jason	Exelon Business Services Company, LLC
Bloom	David	Baltimore Gas and Electric Company
Campbell	Bruce	EnergyConnect, Inc.
Citrolo	John	PSEG Energy Resources and Trade LLC
Dugan	Chuck	East Kentucky Power Cooperative, Inc.
Filomena	Guy	Customized Energy Solutions, Ltd.*
Gardner	Michelle	NextEra Energy Power Marketing, LLC
Gates	Terry	Appalachian Power Company
Greening	Michele	PPL EnergyPlus, L.L.C.

Heidorn	Rich	RTO Insider
Hoatson	Tom	Riverside Generating, LLC
Kelly	Stephen	Brookfield Energy Marketing LP
Kuehl	Brent	MidAmerican Energy Company (Retail)
Lacy	Catharine	Dominion Virginia Power
Leonard	Ryan	IBERDROLA RENEWABLES, LLC
Lieberman	Steven	Old Dominion Electric Cooperative
Ma	Alex	Invenergy
Manion	Evelyn	PJM Interconnection, LLC
Mariam	Yohannes	Office of the Peoples Counsel for the District of Columbia
Marton	David	FirstEnergy Solutions Corporation
Maucher	Andrea	Division of the Public Advocate of the State of Delaware
Metzler	Jakob	Castleton Commodities Merchant Trading L.P.
Muchhala	Chiman	Dominion Virginia Power
Norton	Chris	American Municipal Power, Inc.
Patten	Kevin	Appalachain Power Company
Quinlan	Pamela	Rockland Electric Company
Riding	M.Q.	Essential Power OPP, LLC
Rohrbach	John	Southern Maryland Electric Cooperative
Sasser	Jonathan	Customized Energy Solutions, Ltd.*
Snow	Robert	The Federal Energy Regulatory Commission
Tatum	Ed	Old Dominion Electric Cooperative
Walter	Laura	PJM Interconnection, LLC
Wilhite	Chad	FirstEnergy Solutions Corp.