UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C. Docket Nos. ER05-1410-000 and EL05-148-000

SUPPLEMENTAL NOTICE OF STAFF TECHNICAL CONFERENCE

(May 17, 2006)

As announced in the Notice of Staff Technical Conference issued on May 1, 2006 and in the Commission's April 20, 2006 Order,[1] the Commission staff will hold a technical conference on Wednesday, June 7 and Thursday, June 8, 2006 at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. The purpose of the conference will be to address specific issues relating to the mechanisms to be used by PJM Interconnection, L.L.C. (PJM) to enable customers to satisfy reliability requirements. This conference is intended to be an informal working session focused solely on determining the appropriate parameters for the variable resource requirement, and the long term fixed resource adequacy requirement accepted in principle by the Commission in the April 20 Order. On June 7, the discussion will focus on the parameters of the variable resource requirement, and on June 8, the discussion will shift to the issue of long term fixed resource adequacy requirement. This supplemental notice provides additional information and an agenda for both days. The conference will be open for the public to attend. The conference will be held in the Commission Meeting Room.

All attendees will be welcome to participate to the extent possible. Parties who will participate in a conference panel will be asked to submit written comments of their position on the issues set forth above by May 30, 2006. In place of preliminary presentations from the panelists, staff will present questions to the panelists and ask for responses and discussion. To the extent that time permits during each panel, staff will also take questions or comments from the floor. Facilities for real-time PowerPoint presentations will not be available. All parties may file post-conference comments on or before June 22, 2006.

The conference will be transcribed. Transcripts of the conference will be immediately available from Ace Reporting Company (202-347-3700 or 1-800-336-6646) for a fee. They will be available for the public on the Commission's eLibrary seven calendar days after FERC receives the transcript. The eLibrary is accessible to the public on the Internet at http://ferc.fed.us/docs-filing/elibrary.asp.

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[1] *PJM Interconnection, L.L.C.*, 115 FERC ¶ 61,079 (2006) (April 20 Order).

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an e-mail to accessibility@ferc.gov or call toll free 866-208-3372 (voice) or 202-208-1659 (TTY), or send a FAX to 202-208-2106 with the required accommodations.

For further information regarding this conference, contact John McPherson at John.McPherson@ferc.gov.

Magalie R. Salas
Secretary

Attachment

Reliability Pricing Model in PJM
Docket Nos. ER05-1410-000 and EL05-148-000

June 7-8, 2006
Technical Conference Agenda[2]

June 7, 2006 (9 a.m. to 5:00 p.m. (EST))

Panel I: Variable Resource Requirement

Panelists:

- Mr. Hisham Choueiki, Senior Energy Specialist, Public Utilities Commission of Ohio
- Dr. Benjamin Hobbs on behalf of PJM
- Mr. Ezra Hausman on behalf of the Coalition of Consumers for Reliability (CCR)
- Mr. Andrew Ott, Vice President of Market Services, PJM
- Mr. Seth Parker on behalf of Midwest Generation, Edison Mission Energy, Consolidated Edison Energy, Conectiv Energy Supply and Constellation Energy Commodities Group
- Mr. Raymond Pasteris on behalf of PJM
- Mr. Matthew Picardi on behalf of Coral Power L.L.C.
- Mr. Robert Stoddard on behalf of Mirant parties
- Mr. Jonathan Wallach on behalf of CCR

Issues:

A. How should the height and slope of the downward sloping demand curve be determined? Should the curve be based on the net cost of new generation entry, or on other factors such as the value to customers of alternative levels of capacity?

B. If the demand curve is based on the cost of new generation entry, what is the cost of new entry? How should these costs be determined?

C. How should expected revenues from the energy and ancillary service markets be estimated and how should they be used to adjust the height and slope of the demand curve?

D. What is the appropriate capacity level at which the capacity price should equal the net cost of new entry.

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[2] Both this schedule and the list of panelists may change. The Commission will issue a further notice of such changes if time permits.

E. What is the appropriate slope or slopes for various portions of the demand curve?

F. What is the appropriate maximum price and the appropriate capacity level at which the price of capacity should fall to zero?

June 8, 2006 (9 a.m. to 5:00 p.m. (EST))

Panel II. Long Term Fixed Resource Adequacy Requirement

Panelists:

- Mr. Craig Baker, Senior Vice President, Regulatory Services, American Electric Power Service Corporation (AEP)
- Mr. Robert Bradish, Vice President, Transmission and Market Analysis, AEP
- Mr. John Horstmann, Director of RTO Affairs, the Dayton Power and Light Company
- Ms. Elizabeth Moler, Executive Vice President Government and Environmental Affairs and Public Policy, Exelon Corporation
- Mr. Andrew Ott, Vice President of Market Services, PJM
- Dr. Roy Shanker on behalf of PSEG Companies, FPL Energy L.L.C., Reliant Energy Inc., Constellation, Dominion Resources Services Inc.
- Mr. Robert Stoddard on behalf of Mirant parties
- Mr. Stephen Wemple, Director, Retail and Regulatory Affairs, Consolidated Edison Energy

Issues:

A. What should be the time period for which load serving entities (LSEs) must commit to using the long-term fixed resource requirement option?

B. What should be the level of deficiency charge needed to ensure compliance?

C. Should an LSE that fails to procure the full amount of capacity be precluded thereafter from using the long-term fixed resource requirement option?

D. How much capacity should the LSE be required to procure under this option?