

PJM Manual 34:

PJM Stakeholder Process

Revision: 08

Effective Date: May 7, 2019

Prepared by
Market Services Division, Stakeholder Affairs
Department

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Approval

Approval Date: 05/14/2019 Effective Date: 05/07/2019

David Anders, Director
Stakeholder Affairs

Current Revision**Revision 9 (08/22/2019):**

- About this Manual Section – corrected review cycle from one to three years to match approved change and chart.
- Section 2 – Pluralized “Definitions”
- Section 6.2.2 – Added requirement to review work plan prior to assigning work
- Section 6.7
 - Added new matrix “New Issue Assignment Guidelines”
- Section 8.6
 - Added new section 8.6.1 – “Quick Fix”
 - Added new section 8.6.4 – Critical Issue Fast Path (CIFP)
 - Renumbered to accommodate two new sections
 - 8.6.1 now 8.6.2
 - 8.6.2 now 8.6.3
 - 8.6.3 now 8.6.5
 - 8.6.4 now 8.6.6
- Section 10.2 – Added new “page turn” review of business rules
- Section 10.4 – Added new three day posting and notification process for review of draft tariff language for filing
- Section 11.4
 - Added language regarding PJM’s continual review of schedules and prioritization
 - Added detailed scheduling standards and best practices
 - Added language about ending meetings by the posted end time
 - Added language empowering the MC Secretary with meeting prioritization decisions
 - Added ability for PJM to hold one “high priority/ time critical topic” meeting day per month.
- Section 13.1 – Added new requirement to review the MC Work Plan at least quarterly, and prior to the approval of a new Issue Charge
- Capitalization of lists in sections: 1; 3; 4, 4.1, 4.2, 4.5; 6.1, 6.2, 6.7, 6.8, 6.12; 7.1, 7.2, 7.3, 7.4, 7.5; 8.2, 8.3, 8.4, 8.5; 10.3; 11.2; 13, 13.3, 13.5; 14.3, 14.4; 15.1, 15.4;
- Punctuation edits in sections: 1; 6.2; 7.3, 7.4; 14.4; 15.4, 15.5

Administrative Change (07/01/2019)

- Deleted “(old section 11.15)” from section 11.16 title

Revision 8 (05/07/2019)

- **Cover to Cover Periodic Review**
- **Revise Revision History to update with the correct Revision 7 information**
- **Removed welcome language at the start of each section for brevity**
 - o **Section 2**
 - o **Section 3**
 - o **Section 4**
 - o **Section 5**
 - o **Section 6**
 - o **Section 7**
 - o **Section 8**
 - o **Section 9**
 - o **Section 10**
 - o **Section 11**
 - o **Section 12**
 - o **Section 13**
 - o **Section 14**
 - o **Section 15**
- **Section 1: Grammatical edits**
- **Section 2:**
 - o **removed bullet points from text**
 - o **corrected bullet formatting**
 - o **clarified definition of Standing Committees**
 - o **added definition of Consensus Based Issue Resolution**
 - o **added new definition of Consensus Based Issue Resolution Process**
- **Section 4.5: Replaced language on identification of speakers at PJM meetings**
- **Section 5.1:**
 - o **Added content from deleted Section 5.2.**
 - o **Added content from retired Manual 33 regarding five sectors and one primary and three alternate representatives.**
 - o **Added clarifying language on which committees apply**
 - o **Added clarifying language on which committees require a first read**
 - o **Deleted sentence regarding required number of MC-MRC meetings per year.**

- **Section 5.2:**
 - o Deleted section: moved content to Section 5.1
 - o corrected “table and graphic” to “exhibits” for correct terminology
- **Section 5.4.1:**
 - o Deleted reference to “senior representatives” as irrelevant
- **Section 5.5:**
 - o User Groups content moved into new section 8.6.3
 - o Added new section describing “Special Sessions” designation
 - o Added new section describing “Special Meetings” designation
- **Section 5.6:** Renumbered as Section 5.5 to accommodate move
- **Section 6:** Updated and expanded topic list
- **Section 6.1:**
 - o Added clarifying grammatical edits
 - o Updated language to reflect current process.
- **Section 6.2:**
 - o Moved text from Sections 6.2. Issue Identification, Section 6.4 - Charging a New Issue, and Section 6.4.2 here.
 - o Updated topic lists for inclusion in Problem/Opportunity Statement, Issue Charge, and Charter.
 - o Added clarifying language and updated language to reflect current processes around Problem/Opportunity Statement, Issue Charge, and Charters, and new process for requiring a vote to approve only the Issue Charge, rather than the Problem Statement and Issue Charge.
 - o Added language regarding updated procedure for review of Charter.
 - o Added section heading “Work Plan” including language moved from 6.4.2.
 - o Deleted duplicative last bullet on list
 - o 6.2.3: Added clarifying language to align with new Charter creation and approval process
 - o 6.2.3: Corrected grammar for clarity
 - o Deleted Exhibit 4: Issue Creation and Assignment (redundant information)
- **Section 6.3:**
 - o Moved text from Section 6.2 Issue Identification, and old Section 6.3.
 - o Deleted Exhibit 4: Issue Creation and Assignment as redundant with other graphics and descriptive text
- **Section 6.4:**

- o ~~Created new section heading~~
- o ~~Clarified intent of Problem Statement~~
- o ~~Moved text from Section 6.2 Issue Identification~~
- ~~Section 6.5:~~
 - o ~~Created new section heading~~
 - o ~~Deleted sentence covered in more detail elsewhere~~
 - o ~~Moved text from Section 6.2 Issue Identification~~
- ~~Section 6.6:~~
 - o ~~Created new section heading.~~
 - o ~~Moved text from Section 6.2 Issue Identification.~~
 - o ~~Corrected Problem Statement / Issue Charge reference to reflect new process.~~
 - o ~~Corrected lower to upper case for titles of Chair and Secretary as defined terms~~
- ~~Section 6.7:~~
 - o ~~Created a new section heading.~~
 - o ~~Added new language clarifying process.~~
 - o ~~Moved text from sections 6.2, 6.4, 6.4.1.~~
 - o ~~Changed note into a regular bullet~~
 - o ~~Deleted OA 8.6.3 language as redundant~~
 - o ~~Deleted “in consultation with members” as inaccurate~~
- ~~Section 6.8:~~
 - o ~~Created new section heading~~
 - o ~~Moved text from Sections 6.3, 6.4~~
 - o ~~Deleted redundant text~~
 - o ~~Corrected grammar~~
 - o ~~Corrected bullet alignment~~
- ~~Section 6.9:~~
 - o ~~Created new section heading.~~
 - o ~~Added text from section 6.3~~
- ~~Section 6.10:~~
 - o ~~Created new section heading.~~
 - o ~~Added text from section 6.4.3~~
 - o ~~Edited language around complexity~~

- o Corrected language to reflect new charging and charter processes
- Section 6.11:
 - o Created new section heading.
 - o Corrected “member” to “Stakeholder” for accuracy
 - o Added text from section 6.4.1
 - o Deleted language about reviewing Charge that does not match new process
 - o Added fourth item on list regarding inviting technical specialists
- Section 6.12:
 - o Created new section heading.
 - o Added text from section 6.5. Rewording for clarity.
- Section 7.1:
 - o Corrected “chapter” to “section”.
 - o Capitalized defined terms.
 - o Corrected “chart” to “exhibit”.
- Section 7.1.1: Moved to new section 8.6.1
- Section 7.3:
 - o Corrected typo and added clarifying language.
 - o Added introduction to exhibits.
- Section 7.4:
 - o Clarified practice of recording member participation in final report.
 - o Added subject matter expert and Facilitator as eligible representatives to present a stakeholder’s option to the Parent Committee.
- Section 8.2: Deleted extraneous language and added specific section reference.
- Section 8.3: Added clarifying language regarding status quo
- Section 8.4: Clarified voting rule application and a grammatical edit.
- Section 8.5: Deleted footnote definition of 3/2 rule and moved to Section 2: Definitions.
- Section 8.6: New section including content moved from 5.5, 7.1.1, and 15.2.2 along with new content.
- Section 8.6.6: New section on “Final Attempt at a Resolution”
- Section 9.2:
 - o Changed sentence structure to help readability
 - o Added MRC for clarity
 - o Added note on proper treatment of a consent agenda item

- **Section 9.4: Changed text to bullets for ease of reading**
- **Section 10.6: Edited date formatting**
- **Section 11.2:**
 - o **Removed duplicate secretary reference.**
 - o **Added clarifying “business days” to deadline.**
- **Section 11.5:**
 - o **Added new “Proxy Voting Protocol” section**
 - o **Renumbered “Decision Making” section to 11.6**
- **Section 11.6: Renamed to “Decision Making” (old section 11.5)**
- **Section 11.7:**
 - o **Renamed to “Allowing Sufficient Opportunity for Review” (old section 11.6)**
 - o **Clarified wording**
- **Section 11.8:**
 - o **Renamed to “Antitrust Guidelines” (old section 11.7)**
 - o **Added “or his/her designee” to The President of PJM for duty to assign Chairs to stakeholder groups.**
 - o **Removed duplicate language.**
 - o **Changed text to bullets for ease of reading.**
- **Section 11.9: Renamed to “Stakeholder Group Chairmanship” (old section 11.8)**
- **Section 11.10:**
 - o **Renamed to “Committees” (old section 11.9)**
 - o **Moved Vice Chair sector schedule up for more logical flow.**
 - o **Indented order of election bullets.**
 - o **Added language regarding voting by acclamation**
- **Section 11.11: Renamed to “Elections” (old section 11.10)**
- **Section 11.12: Renamed to “Speakers” (old section 11.11)**
- **Section 11.13: Renamed to “Sector Designation Announcement” (old section 11.12)**
- **Section 11.14:**
 - o **Renamed to “Consultation with Transmission Owners and Members” (old section 11.13)**
 - o **Reworded for clarity**
- **Section 11.15:**
 - o **Renamed to “Manual Revisions” (old section 11.14)**

- o Added clarifying words
- Section 11.16: Renamed to “Chairs Prerogative” (old section 11.15)
- Section 11.17: Renamed to “Consensus Based Issue Resolution Process” (CBIR) Implementation Forum (old section 11.16)
- Section 12.2:
 - o Added reference to Voter Designation Form for proxy voting.
 - o Added section number for User Group reference
 - o Updated language from “ex parte letter” to “Board Communication letter” and adjusted grammar accordingly.
 - o Added Liaison Committee to list of communication opportunities
 - o Added hyperlink to Board Communication page of PJM website
- Section 13.1: Changed text to bullets for ease of reading.
- Section 13.3:
 - o Added Exhibit numbers for ease of reference.
 - o Corrected grammatical edits.
 - o Deleted text referring to a previous version of the chart.
- Section 13.4: Corrected typo
- Section 15.1:
 - o Removed duplicative bullet
 - o Updated reference from “Ex Parte Communication” to “Board Communication”
- Section 15.2:
 - o Added and re-organized bullets for clarity.
 - o Reworded sentences for clarity.
 - o Corrected typo and added reference to Appendix.
 - o Shifted bullets for better formatting.
- Section 15.2.2:
 - o Moved into new section 8.6
 - o Updated references from “Ex parte letter” to “Board Communication”
- Section 15.4:
 - o Changed language from “Ex Parte” Communication to “Board Communication” for clarity and to address negative connotations of “ex parte”.
 - o Added hyperlink to Board Communications page on pjm.com
 - o Added clarity on communication methodology

- o Edited to update all references of “Ex Parte” to “Board Communication” with proper grammatical context.
- Section 15.5: Updated reference from “ex parte communication” to “board communication”
- Appendix I: Added introductory paragraph. Corrected typo.
- Appendix II:
 - o Update hyperlinks for Charter and Work Plan
 - o Remove reference to Issue Tracking as this is an internal form
- Appendix III:
 - o Removed chart references to “RR” (Robert’s Rules)
 - o Standardized formatting of M34 references
 - o Added clarifying language on motion to reconsider
- Appendix IV:
 - o Changed “electronic whiteboard” to more generic “shared document” to allow for tool choice by facilitator.
 - o Changed “surfacing” to “capturing” for better understanding.
 - o Removed “Key Pad” term to account for different technology solutions
 - o Added options as polling option.
 - o Grammatical edit.
- Appendix V:
 - o Clarified approval process for Problem Statement and Issue Charge
 - o Clarified timing of steps in CBIR process.
 - o Deleted language clarifying that this is an example for brevity.
 - o Replaced “facilitator’s assistant” with “secretary”.
 - o Deleted “electronic whiteboard” and replaced with “interests tab of the matrix” for accuracy.
 - o Corrected “cooking” to “baking” for accuracy.
 - o Corrected placement of bullets in Sub-Step 2D.
 - o Swapped exhibits for Winnowing Options Matrix and Final Options Matrix for correct order.
 - o Grammatical edits.
- Appendix VI:
 - o Per stakeholder approval votes, revised M14B review schedule from 1 to 2 years.

- o Revised M34 review schedule from 2 to 3 years per Stakeholder Process Forum recommendation
- o Revised M39 review schedule from 1 to 3 years to comply with manual.
- o Added new manuals 14F (2 years) and 14G (3 years)

Introduction

Welcome to the ***PJM Manual for PJM Stakeholder Process***. In this Introduction, you will find the following information:

- What you can expect from the PJM Manuals in general (see “*About PJM Manuals*”);
- What you can expect from this PJM Manual (see “*About This Manual*”);
- How to use this manual (see “*Using This Manual*”).

About PJM Manuals

The PJM Manuals are the instructions, rules, procedures, and guidelines established by PJM for the operation, planning, and accounting requirements of PJM and the PJM Energy Market. The manuals are grouped under the following categories:

- Transmission
- PJM Energy Market
- Regional Transmission Planning Process
- Reserve
- Accounting and Billing
- PJM Administration
- Miscellaneous

For a complete list of all PJM manuals, go to the Library section on PJM.com.

About This Manual

The ***PJM Manual for PJM Stakeholder Process*** is one of a series of manuals within the Administrative group of manuals. This manual focuses on the purpose and procedures of the PJM stakeholder process including the roles and responsibilities of individual stakeholder groups, issue identification and consideration, and committee, subcommittee, and task force protocols.

The ***PJM Manual for PJM Stakeholder Process*** consists of 15 sections and six appendices. The sections and attachments are listed in the Table of Contents beginning on page ii.

This Manual will be reviewed ~~annually, once a calendar year~~ **every three calendar years**, for any required changes or updates.

Intended Audiences

The intended audiences for the PJM Manual for PJM Stakeholder Process are:

- Applicants for the Operating Agreement of PJM
- Participants in the Operating Agreement of PJM
- PJM Staff

- Government, regulatory and emergency response personnel.
- All PJM Members.

References

The references to other documents that provide background or additional detail directly related to the ***PJM Manual for PJM Stakeholder Process*** are:

- [Operating Agreement of PJM](http://www.pjm.com/documents/~media/documents/agreements/oa.ashx) (<http://www.pjm.com/documents/~media/documents/agreements/oa.ashx>)
- [PJM Open Access Transmission Tariff](http://www.pjm.com/documents/~media/documents/agreements/tariff.ashx) (<http://www.pjm.com/documents/~media/documents/agreements/tariff.ashx>)
- [Agreement Among the PJM Transmission Owners to Provide a PJM RTO-wide Open Access Tariff \(Transmission Owners Agreement\)](http://www.pjm.com/documents/~media/documents/agreements/toa.ashx) (<http://www.pjm.com/documents/~media/documents/agreements/toa.ashx>)
- [Reliability Assurance Agreement](http://www.pjm.com/documents/~media/documents/agreements/raa.ashx) (<http://www.pjm.com/documents/~media/documents/agreements/raa.ashx>)

Using This Manual

We believe that explaining concepts is just as important as presenting the procedures. This philosophy is reflected in the way we organize the material in this manual. We start each section with an overview. Then, we present details and procedures or references to procedures found in other PJM Manuals. The following provides an orientation to the manual's structure.

What You Will Find in This Manual

- A table of contents that lists two levels of subheadings within each of the sections and attachments
- An approval page that lists the required approvals and a brief outline of the current revision
- Sections containing the specific guidelines, requirements, or procedures including PJM actions and participant actions
- Attachments that include additional supporting documents, forms, or tables
- A section detailing all previous revisions of this PJM Manual

Section 1: Purpose of this Manual

The purpose of this Manual is to establish and explain the rules and operation of the stakeholder process. The Manual also delineates how the PJM stakeholder process will function. Included are:

- Roles and responsibilities of the participants in the process;
- The structure of the process; the procedures for initiating the investigation, developing, vetting and approving solutions for new issues;
- Codification of minority rights; processes for annual planning of work activities to be accomplished in the stakeholder process;
- Protocols for operation of the sectors; and
- Methods used to provide information and communication transparency between the PJM Board of Managers and the Members.

This Manual contains the procedures for the efficient administration of the stakeholder process; but procedures cannot be separated from, or interpreted apart from, the goals they serve, or the spirit of collegiality and the common sense with which they should be applied. It is the Members who have established in the Operating Agreement (OA), for PJM and for themselves, these three goals:

- “The safe and reliable operation of the Interconnection;
- The creation and operation of a robust, competitive, and non-discriminatory electric power market in the PJM region, and
- The principle that a Member or group of Members shall not have undue influence over the operation of the Interconnection.”

These procedures exist for the Members, and are intended to remain responsive to the Members’ needs.

This Manual was, and revisions shall be adopted by a two-thirds vote of the Members Committee in accordance with sections 8.3, 8.4 and 8.6 of the OA after review by and consultation with all stakeholders. This Manual may be amended by a two-thirds vote of the Members Committee after review by and consultation with all stakeholders. To the extent there is an inconsistency between this document and the OA, the OA governs. Nothing in this Manual which is inconsistent with any provision of the OA shall become effective prior to the FERC’s acceptance of an appropriate filing to amend the OA to remove such inconsistency.

For the purpose of this manual:

1. “May”, when applied to a step in the stakeholder process in this Manual, means a step that is optional in the stakeholder process.
2. “Shall”, when applied to a step in the stakeholder process in this Manual, means a step in the stakeholder process which is not optional and must be completed in the manner described in this Manual.

3. “Should”, when applied to a step in the stakeholder process in this Manual, means a step in the stakeholder process which, while not mandatory, is intended to be accomplished unless there is a valid reason for not doing so.

Adherence to the rules governing the PJM Stakeholder Process is the responsibility of the Parent committee including oversight of the Stakeholder Groups beneath it and ensuring that the requirements laid out in this manual are followed.

Provided in Appendix III is a high level overview diagram depicting the process flow for consideration of an issue in the stakeholder process. This diagram is not intended to provide all of the detailed requirements of the process.

Section 2: Definitions

Welcome to the Definitions section of the PJM Manual for the PJM Stakeholder Process. In this section you will find the following information:

Definitions of capitalized terms used in this manual are provided below.

Capitalized terms not included below may be found in the Operating Agreement.

- Affiliate – Two or more Members, one of which controls the other or that are under common control. Refer to the Operating Agreement for a complete definition.
- Alternative Motion – Amended or substitute motion offered as an option to the Main Motion.
- Annual Plan – Document or tool that provides an organized, comprehensive view of the expected work to be accomplished in the stakeholder process in a given year.
- Chair – person who chairs the meeting, regardless of gender.
- Charge – direction given by a Parent Committee to a subordinate Stakeholder Group specific to a new work activity and shall include a problem statement and other information as detailed in this Manual.
- Charter– document that translates the Charge from a Parent Committee into a specific scope of work including, but not limited to, objectives, key areas of expected activity, deliverables, timeline, and participant responsibilities, and shall include information as detailed in this Manual.
- Committee – Senior Standing Committee or Standing Committee.
- Complete and Timely Notice:
 - o In the case of a Senior Committee – Notice of an agenda item is complete when the materials posted on PJM’s website contain a summary description of the proposed main motion and a description of the action requested of the Members, with links to the full text of any material to be voted on and all necessary supporting materials; and for each Alternative Motion submitted with respect to an action item, the full amended text of the paragraphs to be amended or substituted with all necessary supporting materials. Notice of an agenda item is timely when complete notice is Published at least seven calendar days before the meeting; provided, the Chair of the Committee may authorize a shorter notice period in accordance with section 8.3.1 of the OA; provided further, notice of an Alternative Motion for consideration by a Senior Standing Committee is timely if Published three calendar days before the meeting.
 - o In the case of any other Committee – Notice of an agenda item is complete when it contains a summary description of the action requested at the meeting. Notice of an agenda item is timely when complete notice is published at least three business days before the meeting.
 - o Each such notice shall indicate the time when the notice is placed on PJM’s website. If PJM received all necessary materials sufficiently in advance of the appropriate deadline to have permitted Complete and Timely Notice in normal circumstances,

the Secretary may declare Published an agenda item whose publication was delayed beyond the deadline due to unusual circumstances.

- Consensus Based Issue Resolution Process (CBIR) – PJM’s structured problem-solving process in which stakeholders attempt to develop and achieve consensus around a proposal in the best interest of the whole.
- Consent Agenda – an agenda item in the Members Committee or the Markets and Reliability Committee pursuant to which the Members, in order to expedite the meeting, consent to allow a set of unrelated matters to be voted upon collectively and without debate.
- Fails – the affirmative vote on a motion is not sufficient to pass it.
- Founding Committee – Standing Committee that forms another Stakeholder Group (Subcommittee, Task Force or Senior Task Force).
- Main Motion – motion to approve or decide a matter which has been placed on the agenda for approval, decision or other action.
- Member – Member as defined in section 1.24 of the Operating Agreement, represented at the meeting in person (including by telephone) or by permissible proxy and counted individually. This includes parties acting as an agent on behalf of a Member.
- Operating Agreement or OA – PJM Operating Agreement dated June 2, 1997 as amended and restated from time to time, or any successor agreement accepted for filing by the Federal Energy Regulatory Commission.
- Order of the Day – Schedule of events for the day, which is the Published agenda for the meeting as supplemented or limited by the Members from time to time, including, by limitations on debate or the fixing of specific times for the consideration or resumption of any matter. A call for the Order of the Day is a call for adherence to the schedule.
- Parent Committee – As to any Stakeholder Group, the Committee to which it reports directly.
- Passes – Affirmative sectoral or non-sectoral vote exceeds the required amount (one-half or two-thirds, as applicable) pursuant to the applicable voting requirements of the Operating Agreement and this Manual.
- PJM – PJM Interconnection, L.L.C. as defined in the Operating Agreement.
- Published – The notice of a Stakeholder Group information or action item (e.g., meeting time and place, registration instructions, proposed agenda, agenda materials, alternative motions, draft minutes, final minutes) on the PJM web site, and, as soon as practicable thereafter, has sent the text of the notice, or an electronic reference to it, electronically to the Stakeholder Group’s distribution list as maintained by PJM. With respect to a proposed action item at a forthcoming Stakeholder Group meeting, Published means the materials placed on the PJM web site constitute Complete and Timely Notice.
- Rules of Procedure – The specific steps outlines in this Manual.

- Secondary Motion – A motion which can be made and acted upon while the main motion is on the floor and before a vote on the main motion has taken place. Examples of a Secondary Motion include a motion to refer the topic of the main motion to another Stakeholder Group, a motion to postpone voting on the main motion, and a motion to recess.
- Secretary – Secretary of the Members Committee, appointed by the President of PJM, who shall administer these Procedures.
- Sector Whip – Member designated by each sector to fulfill the duties delineated in the Sector Protocols section of this Manual.
- Senior Standing Committee or Senior Committee – the Members Committee or the Markets and Reliability Committee.
- Senior Task Force – Task Force formed by a Senior Standing Committee (MC or MRC) that reports directly to that Senior Standing Committee to direct consideration of specific issues that have the potential for large dollar or major policy impacts.
- Special Team – means a Task Force appointed by the Chair of a Senior Standing Committee (MC or MRC) to assess and recommend changes to the Members' process.
- Stakeholder Group or Group – stakeholder body voted by a majority vote of its Parent Committee to address a specific scope in a timeframe defined within the Stakeholder Group's Charter.
- Stakeholders – PJM Members, OPSI and its members, state consumer advocates who are not PJM Members, Independent Market Monitor, PJM staff, and PJM's Board.
- Standing Committees – Per Section 8.6 of the OA, the Members Committee shall establish and maintain the Market Implementation Committee, Planning Committee, and Operating Committee under the MRC as Standing Committees. The MC may establish or dissolve other Standing Committees from time to time.
- Subcommittee – Stakeholder body voted by a majority vote of its Parent Committee for the purpose of carrying out specific ongoing responsibilities of the Standing Committees as assigned within the scope of a defined Charter.
- Task Force – Temporary stakeholder body voted by a majority vote of its Parent Committee to address specific non-routine issues or other duties as assigned within the scope of a defined Charter.
- User Group – Group formed by any five or more Members sharing a common interest as defined in section 8.7 of the Operating Agreement.
- Voting Member – Member as to which no other Member is an Affiliate or Related Party, or a Member together with any other Members as to which it is an Affiliate or Related Party.

Section 3: Purpose of the Stakeholder Process

In this section you will find the following information:

- **T**he purpose and basis of the stakeholder process;
- **T**he goals of the stakeholder process; and
- **A** description of Federal Power Act sections 205 and 206 and their relevance and application to the PJM stakeholder process.

The purposes of the PJM stakeholder process are to:

- **E**ducate stakeholders on a wide range of issues related to PJM markets, operations, public policies and industry matters;
- **E**xplore different solutions, building consensus which helps policy makers approve key laws and regulations;
- **I**mprove communication among Members and between Members and PJM management/Board of Managers;
- **I**mplement the powers and responsibilities of the Members Committee and other committees defined in the OA. Specifically, the powers and responsibilities germane to the stakeholder process are found in OA sections 3.1 (a), 8.6, 8.8 and 18.6; and
- **C**reate technically sound solutions.

Operating Agreement section 3.1 (a) defines the purpose of PJM, LLC in part “to operate in accordance with FERC requirements as an Independent System Operator, comprised of the PJM Board, the Office of the Interconnection, and the Members Committee, with the authorities and responsibilities set forth” in the OA. Section 8.8 of the OA defines the powers of the Members Committee as:

- “The Members Committee, acting by adoption of a motion as specified in Section 8.4, shall have the power to take the actions specified in this Agreement, including:
 - i) Elect the Members of the PJM Board;
 - ii) In accordance with the provisions of Section 18.6 of this Agreement, amend any portion of this Agreement, including the Schedules hereto, or create new Schedules, and file any such amendments or new Schedules with FERC or other regulatory body of competent jurisdiction;
 - iii) Adopt bylaws that are consistent with this Agreement, as amended or restated from time to time;
 - iv) Terminate this Agreement; and
 - v) Provide advice and recommendations to the PJM Board and the Office of the Interconnection.”

The stakeholder process is the method used by the Members, PJM and other stakeholders to carry out the responsibilities and powers of the Members Committee. This process also recognizes the responsibilities and powers of the Board of Managers, the Office of the Interconnection, the Independent Market Monitor and certain other stakeholders as discussed herein.

The goal of the stakeholder process is to efficiently, effectively and fairly identify, review and make decisions regarding proposed revisions to PJM's governing documents, processes, market and reliability design and operations. The tools provided herein assist in that process by promoting a greater understanding of issues, collaborative problem solving and consensus building. Ideally, all stakeholders will participate in the process beginning at the lowest level stakeholder group. In doing so, the most comprehensive solutions will be generated, and the inefficiency of re-reviewing material or failed proposals at higher level Stakeholder Groups will be avoided. However, if new information becomes known later in the process, all stakeholders shall retain the right to raise such information or provide alternate proposals in light of previously reviewed material as long as such proposals address the design components.

Sections 205 and 206 of the Federal Power Act set forth the requirements that must be met to obtain FERC approval of a proposed revision to a governing document and are germane to the governing documents of PJM (the Operating Agreement, the Open Access Transmission Tariff (Tariff) and the Reliability Assurance Agreements (RAA)), and to the operation of the stakeholder process. Sections 205 and 206 establish the standards for demonstrating why a proposed revision to a governing document should be approved by the FERC. Section 205 requires that the proposer of a revision demonstrate the proposed revision is "just and reasonable." Section 206 requires a potentially higher hurdle in that the proposer of a revision to the governing documents must demonstrate that the then current provisions are "unjust and unreasonable," and that the proposed revisions are "just and reasonable." Within the stakeholder process it is recognized that the Members Committee maintains section 205 authority over the Operating Agreement, and that the Board of Managers maintains section 205 authority over the Open Access Transmission Tariff (Tariff) (with the exception of certain Tariff provisions that are under the exclusive control of the Transmission Owners) and the Reliability Assurance Agreements. Any party not possessing 205 authority over one of the governing documents may propose a revision to the document to the FERC under Section 206. It is also recognized that the Members provide input to into the Regional Transmission Expansion Plan ("Plan"), and that the Plan is approved by the Board.

From time to time the FERC will issue orders to PJM which contain compliance directives. It is the responsibility of PJM to file responses to these compliance directives, but development of these responses shall be in accordance with the Compliance Filing Protocol contained in Appendix I of this Manual.

In addition, the provisions of this Manual may also apply to the Finance Committee (as outlined in Operating Agreement section 7.5.1), the Nominating Committee (as outlined in Operating Agreement section 7.1 and the Transmission Expansion Advisory Committee (as outlined in Operating Agreement Schedule 6).

Changes to the process are made in accordance with the Operating Agreement, through the processes outlined in this Manual.

In cases where there may be conflict between this Manual and a FERC-approved governing document, the governing document shall take precedence.

Section 4: Roles and Responsibilities

In this section you will find:

- **T**he roles and responsibilities of the various stakeholders and participants in the stakeholder process; and
- **A** code of conduct for all participants in the stakeholder process.

There are several types of participants in the stakeholder process, including the Members, PJM (the Office of the Interconnection, or Staff), the Independent Market Monitor and the Organization of PJM States, Inc. and its Member Regulatory Agencies. Additionally from time to time other parties may participate in the stakeholder process. Below are specific roles and responsibilities delineated for each of these parties.

4.1 Members and other participants

It is the responsibility of each participant in the stakeholder process to represent its interests in cooperation with all other stakeholders to ensure the reliability of the PJM system and implementation of efficient, fair and transparent markets. Specific responsibilities of the Members include:

- **A**rticulating their interests, concerns, and ideas and their basis of support for a particular approach or proposal;
- **R**aising objections and concerns, and the responsibility to provide an alternative if they are not able to agree with a proposal or option;
- **A**lerting the stakeholder meeting facilitator to specific sensitive concerns related to the process or subject matter ;
- **P**roviding all materials in a timely manner for website posting and notification; and
- **A**dhering to the group's Charter and work plan, and seeking to complete it in a timely and efficient manner including any regulatory or other deadlines.

4.2 PJM

PJM's several roles and responsibilities in the stakeholder process include:

- **P**roviding necessary analytic, facilitation, and logistical support to the stakeholder process;
- **P**roviding education and information on the issues before the Members;
- **P**roviding fair, non-partisan facilitation of meetings for all participants;
- **B**ringing forward operational and other important issues to stakeholders;
- **D**eveloping proposals (at Member's request or as needed);
- **P**roviding feedback/enforcement to Stakeholder Groups related to meeting deadlines, procedures, stakeholder protocols, and quality control;
- **K**eeping stakeholders informed about important outside events and interactions;

- **A**dvocating necessary reliability or market design driven initiatives; and
- **E**fficiently utilizing the resources that PJM needs to service the stakeholder process.

The PJM facilitators for meetings within the stakeholder process shall:

- **A**ssist Members in staying on track with the agenda;
- **P**rovide regular breaks to allow time for participant's other business;
- **P**rovide all materials for website posting in accordance with the timelines set forth in this manual;
- **E**nsure preparation and posting of brief meeting summaries of each meeting within one week after the meeting;
- **D**ecide group process and procedural issues after taking Member concerns and suggestions under advisement, with consultation with the Secretary as required;
- **A**ssist and ensure the group abides by its Charter and completes its work plan in a timely and efficient manner including any regulatory or other deadlines;
- **A**ctively apply facilitation skills and techniques to assist participants in reaching agreement;
- **R**emain fair, non-partisan and even-handed on all issues subject to the stakeholder process; and
- **E**nsure effective participation by phone and remote means as well as in person.

In order to help ensure fair, inclusive, and non-partisan forums for member and other participants' discussion, PJM shall separate its facilitation function and role from its advocacy role in all Task Forces, Subcommittees, Special Teams, and Standing Committees. Occasionally, on a case by case basis, PJM and members shall consider using an external, independent facilitator/mediator for issues that have complex dynamics, multiple parties, divergent interests, and high potential impact.

4.3 Independent Market Monitor

As specified in Attachment M of the PJM tariff, "The Market Monitoring Unit may, as it deems appropriate or necessary to perform functions under this Plan [i.e., PJM's Tariff], participate (consistent with the rules applicable to all PJM stakeholders) in stakeholder working groups, committees or other PJM stakeholder processes."

4.4 Organization of PJM States, Inc. (OPSI) and State Regulators

OPSI and its Member Regulatory Agencies (Commissions) have a unique relationship in the PJM stakeholder process. Currently, OPSI and the Commissions are not Members of PJM; OPSI as an entity or any State Commission individually may elect to become a Member as provided for in the Operating Agreement. Under a June 2005 Memorandum of Understanding between the OPSI Board and the PJM Board, commissioners and staff of Commissions participate, deliberate, give input, and engage at all levels of PJM Stakeholder Groups but do not vote on any issue.

4.5 Code of Conduct - Participants, the Media, and Public - Information from PJM Member Stakeholder Meetings

The stakeholders recognize the unique role of the stakeholder process in exploring, solving and negotiating regional solutions for the RTO and the wholesale power markets. Additionally, the stakeholders recognize the importance of transparency of the stakeholder process to all those affected by it. All participants understand that documents, reports, slide shows, and other written material used at all stakeholder meetings until final Member Committee and/or PJM Board approval are intended to be works in progress and to encourage dialogue, discussion, debate, and, preferably, movement toward consensus. Therefore, such work products should be treated in the spirit to which they are intended, that is, not as final or complete documents nor the final position or view of a participant. Recognizing that the stakeholder process is most productive when participants can freely discuss the wide range of complex issues that are before them, meeting participants and observers are asked to take great care in reporting the proceedings accurately and to take all comments in their intended context.

To address both transparency and openness of discussion, the stakeholders have resolved the following expectations for PJM stakeholder process meeting participants (including the media):

- Before speaking in any PJM proceeding, all participants must identify themselves and the organization(s) that they are employed by, representing, or participating on behalf of, so all participants are aware of their presence and on whose behalf they are participating;
 - o in the case of consultants or agents, the speaker should identify the clients or supporting entities if one or a few, and if the clients have not specifically requested anonymity, else characterizing the clients or supporting entities in some manner, e.g. industrial customers or wind developers.
- PJM, the MMU, OPSI and its members, Members, or consultants/agents of any of the foregoing may keep detailed notes of proceedings and distribute those within their own organizations or to those they represent; (i.e., private communications between consultants, agents, and the members);
- **I**f to encourage engaged, open dialogue, PJM, the MMU, OPSI and its members, Members, or consultants/agents of any of the foregoing and other participants (including the media):
 - o **S**hall not disseminate (to the general public) detailed transcriptional meeting notes nor notes prepared from brainstorming sessions including white board notes;
 - o **S**hall not create audio, video, or online recording or transcription of meetings (this requirement shall not preclude PJM from recording stakeholder meetings for internal and training purposes);
 - o **b**Broadcast of meetings for participant access by PJM is permissible;
 - o **F**or all subcommittees, task forces, and committees other than the MC and MRC, it is understood that participants shall not be quoted by the media by name or organization, unless permission is given to the media by the speaker; and

- o For all senior committees, the MRC and MC, it is understood that members' comments may be attributed by name and organization and may be quoted by the media or others but such comments should not be quoted without the subject of attribution being consulted for clarification and accuracy.
- Notwithstanding the above, nothing shall preclude a stakeholder from speaking to the media about its positions; and
- All participants in the stakeholder process shall have the following responsibilities:
 - o Attend stakeholder process meetings and be prepared for the meetings;
 - o Speak one at a time and be concise;
 - o Stay on track with the agenda;
 - o Share time including with those on the phone;
 - o Not engage in personal attacks;
 - o Minimize electronic distractions at meetings.

Section 5: Structure of the Stakeholder Process

In this section you will find a description of the various Stakeholder Groups and how they interact.

5.1 Overview and Standing Committees

As identified in the Operating Agreement, PJM has a two-tiered governance structure, with separate roles and responsibilities of the Board of Managers and Members Committee. The responsibilities and powers of the Board of Managers are described in the Operating Agreement. As discussed above, the stakeholder process is the method used by the Members, PJM and other stakeholders to carry out the responsibilities and powers of the Members Committee

Section 8.6 of the OA identifies the high level structure of the stakeholder process, which is shown in the following graphic.

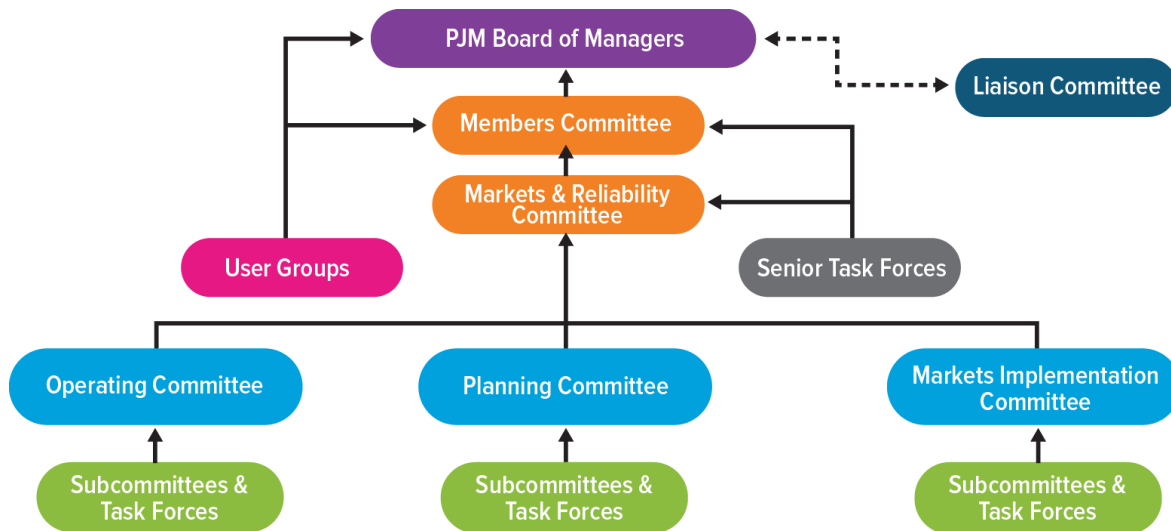


Exhibit 1: Stakeholder Process Structure

Specifically, the Members Committee and the Markets and Reliability Committee are identified as Senior Standing Committees, with the Markets and Reliability Committee reporting to the Members Committee. Three Standing Committees are identified as reporting to the Markets and Reliability Committee, each with separate duties and responsibilities: the Operating Committee, the Planning Committee and the Market Implementation Committee. The specific responsibilities of each Senior Standing Committee and Standing Committee are delineated by their Charters, which are posted to PJM’s website

Operating Agreement Section 8.6 also provides for the formation of other Stakeholder Groups for the purpose of accomplishing the work of the stakeholder process as deemed necessary by the Senior Standing Committees and Standing Committees. See definitions of Subcommittees

and Task Forces below. Reports and proposals flow from the Subcommittees and Task Forces to their Parent Committee and from there to the Senior Standing Committee.

Each PJM Member has one Primary Representative and up to three Alternate Representatives on the Members Committee, and all other committees, subcommittees, and task forces with the authority to act for that PJM Participant. The Members Committee has five Sectors, one Sector each for Generation Owners, Other Suppliers, Transmission Owners, Electric Distributors, and End-Use Customers. Each PJM Member may vote in only one of these sectors for which it qualifies.

In order to improve the efficiency of the two Senior Standing Committees, the two Senior Committee meetings will be held back to back, generally, but not always, on the same day. Reports, briefings, and other non-decisional MC business will be conducted via Webinar or other electronic means before or after the MRC and MC face-to-face meetings. There will continue to be an opportunity for two sector-weighted votes (SWV) for issues that come before the Senior Committees, one at the MRC and one at the MC. If a first read of new recommendations/alternatives is to occur, it must occur at the MRC, and in certain cases, go directly to the MC. The sequencing of the first read and subsequent votes at the MRC and MC will be handled as described in the exhibits below.

	Forum	Month X (i.e., Jan. 16)	Month X+1 (i.e., Feb. 16)	Month X+2 (i.e., Mar. 15)
		0 DAYS		30 DAYS
Standard Process	MRC	First Read +Discussion	Acclamation or MRC Sector-Weighted Vote	
	MC			Acclamation or MC Sector-Weighted Vote if passed at MRC
Alternate Path - Same day vote at MRC/MC	MRC	Motion passes and no "objection" at MRC to forward to MC for vote at present meeting		
	MC	MC acclamation or Sector-Weighted Vote <i>(If no objection at MC, vote at that meeting. If objection, vote at next MC)</i>		

Exhibit 2: Voting Progress Through the MRC and MC

Vote Passes at MRC	MRC	First read & discussion	Acclamation or sector weighted vote passes	
	MC		Objection to move forward?	
			No	Yes
			Acclamation or sector weighted vote	Acclamation or sector weighted vote
Vote Fails at MRC	MRC	First read & discussion	Sector weighted vote fails	
	MC			No vote unless members bring it up

Exhibit 3: Voting Progress Through the MRC and MC

5.2 Subcommittees

Subcommittees of the Standing Committees may be formed for the purpose of carrying out specific ongoing responsibilities of the Standing Committees. Such subcommittees shall receive a Charge by their sponsoring Standing Committee. Subcommittees shall make periodic reports to their Parent Committee including any new issues raised for consideration by the Subcommittee.

5.3 Task Forces

Task Forces may be formed by a Standing Committee for the purpose of accomplishing a specific work activity. Such Task Forces shall receive a Charge by their sponsoring Standing Committee. Work of a Task Force shall be limited to the specific work activity assigned, and the Task Force shall be disbanded upon completion of the work activity unless modified by the Standing Committee.

5.3.1 Senior Task Forces

Senior Task Forces may be formed by a Senior Standing Committee for the purpose of accomplishing a specific work activity that has the potential for large dollar or major policy impacts and reports directly to that Senior Committee. It is expected that Senior Task Forces shall not be formed frequently.

5.3.2 Special Teams

A Special Team is a Task Force appointed by the Chair of a Senior Standing Committee to assess and recommend changes related to the stakeholder process. Special teams may not be formed to focus on reliability or market issues. Special Teams shall include broad and diverse representation from the Membership. It may meet in closed sessions, provided the Chair shall inform the Committee of the purpose, progress and products of any such team. The Special Team may establish its own procedures for its deliberations. Any recommendations or advice shall be taken up by its Senior Standing Committee and such Special Team has no decision-making authority. It is expected that Special Teams will not be formed frequently.

5.4 Special Sessions & Special Meetings

5.4.1 Special Sessions

When a shorter resolution time (approximately six months or less) for an Issue Charge or other work is assigned to a committee by itself or its parent committee, the work may be scheduled as a separate agenda item within the meeting, or as “special sessions” of the committee when discussion at the full committee would be inappropriately long. For example, a “MIC Special Session: Fuel Cost Policy Enhancements”. These special sessions function as a meeting of the committee, but full stakeholder representation is not expected due to topic relevancy, availability, etc. To account for these limitations, binding votes will occur only at the full standing committee meeting. Polling and other discussion tools are allowed and encouraged in the special sessions, as those outcomes serve to inform the full committee.

5.4.2 Special Meetings

Single topic meeting of a committee or subcommittee. May include voting, based upon the voting rules at its full committee. For example, a Special MC meeting to vote on the Energy Price Formation consensus package. Special Meetings are very limited in scope and number.

5.5 Stakeholder Group Structure Diagram

A current diagram of the Stakeholder Group structure is available at the following link: <http://www.pjm.com/committees-and-groups/committees/~media/committees-groups/committee-structure-diagram.ashx>.

Section 6: Identification of Issues, Their Placement and Charging and Chartering Groups to Address Issues

In this section you will find:

- Process Overview
- Key Documents
 - o Problem Statement
 - o Issue Charge
 - o Charter
 - o Workplan
- Issue Identification and Initiation
- Authority to Bring Forward a New Issue
- Announcing a New Issue
- Pre-Approval Education
- Assigning an Issue
- Approving an Issue
- Declining an Issue
- Complex Issues
- Participation
- Reporting

6.1 Process Overview

This details how and where issues arise in the PJM stakeholder process, how they move from early identification to placement in one or another stakeholder group, and once decided upon by Members to take time and resources to address, how a group is charged and chartered to address such an issue in detail. While not a defined term, “issue” is generally intended to mean any topic requiring resolution that is raised in the stakeholder process which is germane to the operation of PJM. Key points in this section include:

- **I**ssues can arise from a variety of sources as shown in the diagram below;
- **A**ll issues shall be brought initially before a Standing Committee in order to be considered for work in the stakeholder process. Subcommittees may consider routine items not specifically identified in their charters, but shall update their Parent Committee on such considerations.
- **A**ny new issue that is addressed as a major part of an existing or new group requires the Standing Committee to create a Problem Statement, Issue Charge, and/or Charter update for that issue.

6.2 Key Documents

6.2.1 Problem/Opportunity Statement

Proposed new issues are to be summarized in a problem/opportunity statement – a document which provides background on the new issue. New problem statements will be reviewed by the Secretary of the Members Committee and the appropriate committee chair and secretary to ensure that the requirements of this Manual have been met, and for completeness of the information to be presented to the Standing committee. The Problem/Opportunity Statement shall include the following: (reference Problem Statement Template in Appendix III):

- The problem to be addressed, the issue to be resolved
- The situation to be improved
- And/or the opportunity to be seized
- Why it warrants consideration in the PJM stakeholder process
- Identify opportunities for education
- Document if the new work is to address specific technical issues and/or to address broader policy issues
- Include any outcomes that have occurred to-date as a result of the issue
- Include potential additional consequences if no action is taken
- The term “problem” does not preclude consideration of new issues that may be more appropriately considered “opportunities”; the term “problem” is simply a catch-all phrase.

6.2.2 Issue Charge

The Issue Charge contains the logistical details for the intended work, and requires stakeholder approval with simple majority support. It does not contain or duplicate information from the Problem/Opportunity Statement. Stakeholders are required to review the committee work plan and discuss priority and timing of the work prior to approving a new Issue Charge.

An effective Issue Charge shall include at least the following elements (refer to the Charge template in Appendix III):

- **T**he originating source of the issue or concern;
- **I**f the new work is to address specific technical issues and/or to address broader policy issues;
- Scope: key areas of expected activity and/or areas that are not intended for activity
- **W**here the issue is assigned (new or existing group)
- **E**xpected deliverables;
- **E**xpected overall duration of work, and any important intermediate milestones; and
- **D**etermination of Tier 1 or 2 decision-making requirements (see the Decision-making section below).
- **T**he discussion of the Charge and any decision on it should be recorded in the Standing Committee’s meeting minutes;

- **W**ithin one week of the Charge being approved, it should be posted on the Standing Committee's webpage;

6.2.3 Charter

The startup of a new Committee or Subcommittee requires the development of a Charter, while the assignment of an Issue Charge to an existing Committee or Subcommittee may or may not require a modification to the Charter.

Upon stakeholder approval of a new Task Force, the Issue Charge will act as its Charter as indicated on the template, with stakeholder approval.

The assignment of a new issue to an existing group should also trigger the review of the committee's current Charter, to ensure that all newly assigned activities are covered by work expectations already outlined. If not, edits to the Charter to allow the work should be submitted to the Parent Committee for approval.

As appropriate, a Stakeholder Groups may suggest changes to its Charter and submit those changes to the Parent Committee for approval. If the group cannot obtain agreement on the draft Charter or Charter revisions in a relatively short time frame, it should return to the Parent Committee for further clarification and resolution of outstanding issues. Note that the contents of the Charter are ultimately the purview of the Parent Committee, and not the Task Force or Subcommittee.

A Charter should include:

- Committee's charge or mission statement: purpose, goals, and objectives of the group
- Scope of the group: key areas of expected activity and/or areas that are not intended for activity;
- Responsibilities and expected deliverables along with any milestones and deadlines
- Name of the group and acronym (if applicable)
- Identity of the Parent Committee
- Facilitator and/or Chair including appointment/selection information
- Frequency of meetings
- Voting/ polling authority
- Reporting requirements
- Sunsetting requirements
- Other administrative information as needed

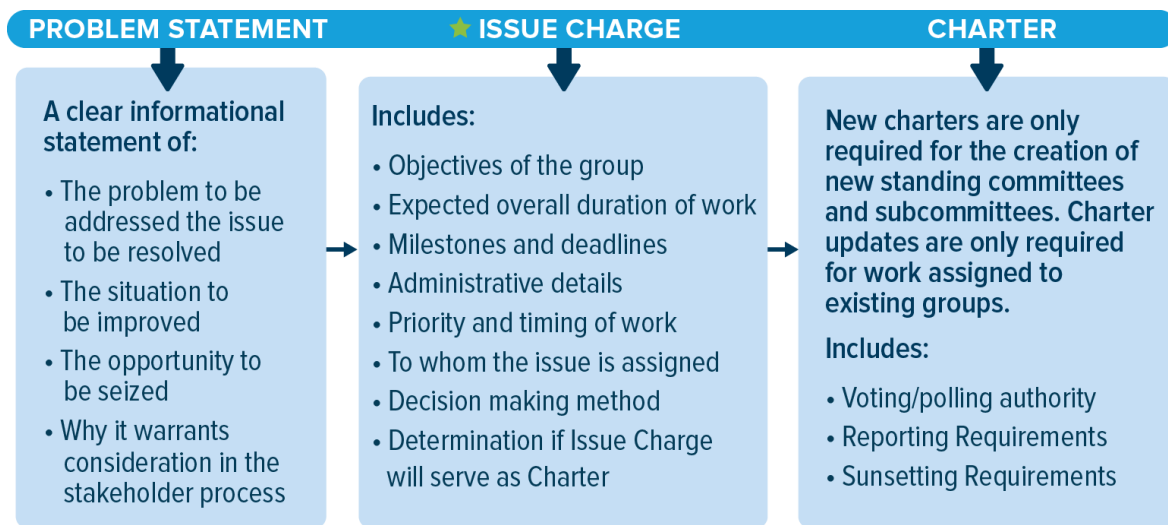


Exhibit 4: Three Key Issue Initiating Documents

6.2.4 Work Plan

It is expected that a new group will create a work plan to guide and focus its work. The development of the work plan will help identify the key deliverables, milestones and deadlines from the Issue Charge; but the group does not have to have its Parent Committee approve its work plan, provided that the required stakeholder process rules in this manual are followed. The work plan should detail any number of activities and actions needed to accomplish their Issue Charge. These might include the sequencing, ordering, and constraints on:

- **E**ducation and investigation;
- **I**nterest exploration and consolidation;
- **D**esign components development;
- **O**ption development;
- **P**roposal development;
- **D**ecision-making.
- **R**eporting

6.3 Issue Identification and Initiation

PJM and its Members have numerous issues that require discussion and dialogue in the stakeholder process. Standing Committees, from time to time, determine the need for detailed work by subject matter experts and Members on particular issues or topics. Thus, these Standing Committees have a key role in managing the flow of issues taken up by the stakeholder process. Standing Committees are, in effect, the collective gatekeepers of new issues that might be taken up by the process. They have a responsibility to help determine if a potential issue holds sufficient interest for at least some Members and whether resources of both PJM and its Members should be allocated to address the issue in some fashion.

Any issue deemed important to a Member, the OPSI or the Independent Market Monitor shall at least receive consideration in a meeting agenda and subsequent Standing Committee discussion. Reference section 6.4 for a complete list of who may bring an issue forward for consideration.

For any new issue on its agenda, the Standing Committees may choose:

- **I**to address the issue within that Standing Committee;
- **I**to forward to a more appropriate Standing Committee;
- **I**to forward to an existing Subcommittee;
- **I**to create a new Task Force and assign that issue to that new group;
- **O**or not to take up the issue raised further.

Standing Committees are the sole Stakeholder Groups in which new issues are considered, and placed, rejected, or tabled. Task Forces shall not to take up new issues which are not already clearly in their Charge and Charter. Rather, they shall raise any potential significant new issues to their Standing Committee for consideration. Subcommittees may consider new issues related to their Charter, but shall make periodic reports to their Parent Committee including any new issues raised for consideration by the Subcommittee. In such cases, the Subcommittee Chair should consider creating a charge detailing the new issue to ensure that there is clarity on the work scope among the Subcommittee participants. The Parent Committee retains the authority to determine the scope of work of all of its subordinate groups.

6.4 Authority to Bring Forward a New Issue

New Issues may arise from parties internal to the stakeholder process or external to it.

- Internal parties include the PJM Board, the PJM staff, a Member or group of Members, OPSI, individual state regulators, or the Independent Market Monitor.
- External parties include FERC, other relevant government agencies or legislatures, or the North American Electric Reliability Corporation (NERC).
- Non-Members may also bring issues forward, but the Secretary of the Members Committee and the appropriate committee chair and secretary shall use discretion to accept or reject adding a Non-Member issue on the agenda.

6.5 Announcing a New Issue

A potential issue related to the operation of PJM, shall be communicated with the Secretary or the chair or secretary of the most appropriate Standing Committee to add to the agenda for an upcoming meeting. Specific requirements related to the initial presentation of this new issue to the Standing Committee are provided in the Agenda portion of the Additional Rules of Procedure section below.

PJM's stakeholder meeting posting deadlines may be found in Section 11 of this manual.

6.6 Pre-Approval Education

There may be issues on which Members would benefit from receiving initial education/information prior to making the decision to approve an Issue Charge. Any Member may request an education/information presentation before a vote to approve a new Issue Charge is taken. In such case, the Chair of the group shall use discretion regarding whether the education is necessary for the group to make its decision, and who shall provide the education/information (PJM, the IMM or another stakeholder or outside expert). The Chair shall also use discretion in determining whether to grant such education/information requests, to ensure that the requests are not made with intent to delay action. Notwithstanding the Chair's discretion discussed above, the Member offering a motion that is properly seconded may move to call the question (request the vote prior to any additional education/information presentations).

6.7 Assigning an Issue

For an Issue Charge to be approved, the Standing Committee voting should review the recommended work location provided in the Issue Charge, and determine where the issue should be addressed. Refer to the chart below to help determine appropriate assignment location. Options include:

- Within the standing committee
- To a more appropriate standing committee
- To an existing subcommittee
- A new Task Force and assign that issue to that new group When deciding which group the issue should be assigned to, consideration should be given to the following factors:
 - whether the issue fits within the existing Charter of an existing stakeholder group;
 - if it is possible to reasonably expand the scope of an existing group's Charter to incorporate the new work without disrupting ongoing activities and deliverables;
 - the size and breadth of the issue;
 - the expected duration of the work to be performed;
 - whether the issue is multi-disciplinary (i.e. may span the scope of more than one existing group) – if so, then the chair and secretary of the Markets and Reliability Committee shall be notified; and
- Senior Standing Committees may charge a subordinate group with the new work activities.

If a Parent Committee determines that a new group is needed to address an approved Charge, it, with PJM's assistance, shall form that new group.

Note:

A Senior Standing Committee may form new Subcommittees and Task Forces that report to the Senior Standing Committee or to any subordinate group.

<u>NEW ISSUE ASSIGNMENT GUIDELINES</u>	<u>Parent</u>	<u>Decision Making Authority</u>	<u>Time Expectation</u>	<u>Work Style</u>	<u>Notes</u>
<u>CBIR Lite</u>	<u>Standing & Sr. Standing Committees</u>	<u>Group may poll; Parent committee votes</u>	<u>less than 3 months</u>	<u>Expedited CBIR/Matrix</u>	<u>Solution presented up front. Impacts limited number of Stakeholders. Defined in Section 8.6.1</u>
<u>Critical Issue Fast Path (CIFP)</u>	<u>Board or MC</u>	<u>MC vote; Board if no consensus</u>	<u>1–6 months</u>	<u>Matrix + presentations</u>	<u>Defined in Section 8.6.3</u>
<u>Enhanced Liaison Committee (ELC)</u>	<u>Board or MC</u>	<u>None (Board)</u>	<u>One month minimum</u>	<u>Format outlined in M34</u>	<u>Defined in Section 8.6.2</u>
<u>In-Meeting (MIC/OC/PC/MRC)</u>	<u>n/a</u>	<u>voting rights of the committee</u>	<u>Open-ended</u>	<u>CBIR/Matrix, CBIR Lite</u>	
<u>"Quick Fix"</u>	<u>Standing & Sr. Standing Committees</u>	<u>Parent committee votes</u>	<u>Solution presented at first read of problem statement</u>	<u>No stakeholder engagement required</u>	<u>Defined in Section 8.6.1</u>
<u>Special Meetings</u>	<u>Standing & Sr. Standing Committee</u>	<u>Polling + Voting</u>	<u>1-4 meetings</u>	<u>Focused topicFlexible format</u>	<u>Defined in Section 5.4.2</u>
<u>Special Sessions</u>	<u>Standing & Sr. Standing Committees</u>	<u>Group may poll; Parent committee votes</u>	<u>less than 4 months and/ or less than 5 meetings</u>	<u>Flexible format</u>	<u>Defined in Section 5.4.1</u>
<u>Special Teams</u>	<u>Sr. Standing Committee</u>	<u>Group may poll; Parent committee votes</u>	<u>Undefined</u>	<u>Decided by team in closed sessions</u>	<u>Stakeholder Focus topics only. Defined in Section 5.3.2</u>
<u>Sr. Task Force</u>	<u>Sr. Standing Committees</u>	<u>Polling + Voting</u>	<u>up to 18 months</u>	<u>CBIR/Matrix</u>	<u>Defined in Sections 5.3 and 11.10</u>
<u>Subcommittee</u>	<u>Standing Committees</u>	<u>Polling</u>	<u>Open-ended</u>	<u>Flexible format</u>	<u>Defined in Section 5.2</u>
<u>Task Force</u>	<u>Standing Committees</u>	<u>Group may poll; Parent committee votes</u>	<u>up to 18 months</u>	<u>CBIR/Matrix</u>	<u>Defined in Sections 5.3 and 11.10</u>

<u>Working Sessions</u>	<u>Standing Committees</u>	<u>Group may poll; Parent committee votes</u>	<u>less than 6 months/6 meetings</u>	<u>CBIR/Matrix</u>	<u>Standing Committees Defined in Section 5.1</u>
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Exhibit 5: New Issue Assignment Guidelines 1

In forming a new group, the following steps shall be taken by the Office of the Interconnection:

- **N**ame the new group;
- **A**ssign a chair and/or facilitator and secretary;
- **A**ssign a separate PJM technical advocate if necessary;
- **D**etermine needed technical resources and assistance (in consultation with Members);
- **C**reate a new webpage for the group on the PJM website;
- **C**reate an email list of interested participants;
- **E**stablish an initial meeting schedule; and
- **N**otify stakeholders of the creation of a new group.

6.8 Approving an Issue

The ultimate success of the issue deliberation is dependent on developing a clear, focused, timely, and achievable scope of work. This may require that the proposed new issue be reviewed at more than one meeting of the Standing Committee, and that background information and education of the stakeholders be provided.

If a Standing Committee decides to take up a new issue, it shall:

1. **P**rovide clarity on the scope of the issue;
2. **N**otify the chair and secretary of the Markets and Reliability Committee in the case that the new issue may involve multidisciplinary matters (e.g. the Planning Committee deciding to take on a planning relate issue that may have markets implications).
3. **R**eview the Standing Committee’s work plan to determine the timeframe in which to pursue the issue;

6.9 Declining an Issue

If a Standing Committee decides not to take up a new issue, a stakeholder may not take the issue to another Standing Committee at the same level in the stakeholder process. Rather the stakeholder advocating for the issue may request that the issue be reviewed for acceptance by the Senior Standing Committee to which the Standing Committee reports. The chair and secretary of that Senior Standing Committee shall use discretion to accept or reject adding such an issue on an agenda.

6.10 Substantial & Complex Issues

In charging a new issue or group, the Parent Committee should consider if the issue or issues under discussion are likely to have significant and substantial financial or policy implications, and be unlikely or highly unlikely to pass a sector weighted vote. In such cases, the Parent Committee may include in the Charge and charter the following additional points:

- A clear and constraining deadline for completing the work by the group charged.
- A statement that the group charged would not be expected to reach an agreement or make a recommendation as to a preferred package alternative.
- The Parent Committee may forward the work, after its own deliberation, to the Senior Committees for discussion and action.
- The Senior Committees may decide to take SWV votes on the options presented, to call for an Enhanced Liaison Committee meeting, or to send the work to an appropriate committee, subcommittee, or task force for further work.

6.11 Participation

Once the new group is formed, the group shall consider if the Stakeholder participation sufficiently includes the necessary spectrum of key interests or expertise to fully explore and vet the issue. The purpose of considering participation is to ensure the robustness of discussion as well as to ensure that a wide range of alternatives and options forwarded to the Parent Committee are vetted across interests and do not require a full “revisiting” of the issue at the Parent Committee. If missing stakeholders or participants are identified, the group may: 1) engage the Sector Whips to identify additional participants and ask them to take part; 2) ask the Parent Committee to help ensure more full participation; and, 3) in any case, report back to the Standing Committee on the status of participation. It is not the responsibility of PJM, but rather stakeholders, to ensure its Stakeholder Groups include sufficient representation from diverse sectors and interests. It is also recognized that diverse and inclusive participation may not be achievable due to time, interest, and resource constraints of various parties. 4) Invite technical specialists as required.

6.12 Reporting

Each Task Force or Subcommittee shall report back to its Parent Committee at each meeting of the Parent Committee. Reports may (as the situation dictates):

- Be in written and/or verbal format
- **B**rief and simply note that work continues on track;
- **I**dentify draft ideas or options for discussion in and advice from the Standing Committee;
- **I**dentify any participation issues or missing expertise;
- **I**dentify any multi-disciplinary issues that may require consideration by more than one stakeholder group – in such cases the chair and secretary of the Markets and Reliability Committee shall be notified;

- **R**aise key issues or sticking points;
- **R**ecommend changes to the Issue Charge, Charter, or schedule; and
- **B**e the final report detailing the work of the group.

In whatever form regular reports take from Stakeholder Groups up to their Parent Committees, regular reporting is essential to: 1) keep the Stakeholders informed of actions and progress; 2) engage the Standing Committee participants in joint problem investigation on difficult issues; 3) ensure more stakeholders have a chance to raise issues or concerns during the process, rather than at the end of a dialogue when adjustments are more difficult to make; and 4) ensure that the group is staying on-task and in-focus. Standing Committees should take reporting seriously in order to maintain their authority over and responsibility for Stakeholder Groups that they Charge and Charter.

The following table details this process in a step-by-step fashion, including timeframes for when these activities are to be accomplished. See Appendix III for a corresponding Process Chart.

Step	What	Who	Time-frame	Decision Rule
1	All new issues brought before Standing Committee for consideration with Problem Statement and Issue Charge documents.	PJM Staff, Member(s), IMM or OPSI	Ongoing	N/A
2	Standing Committee votes on Issue Charge and decides to handle issue itself, refer to a different Standing Committee or assign to existing Group or form a new Group ¹ , (confer as needed with other Standing Committees.	Standing Committee	Ongoing	Simple Majority
3	Form the new group (if new group), identify chair, establish infrastructure (web page, etc.).	PJM	Prior to first meeting	N/A
4	If work is assigned to an existing group, review and update Charter to reflect the new work. Return Charter (along with any suggested revisions to detailed Charge) to Parent Committee for final approval.	Assigned Group	At next meeting of assigned Group	Simple Majority
5	Approve any Issue Charge revisions after making sure it is “clear and concise, specific, measurable, and consistent” with the Issue Charge.	Parent Committee	At Next Parent Committee meeting	Simple Majority
6	Post Problem Statement, Issue Charge and Charter (if required) on PJM website and keep updated as any changes are made.	PJM	Within two weeks of Charter Approval by Parent Committee meeting	N/A
7	If necessary, develop recommendations to modify or adjust Charter, and send recommendations to Parent Committee for approval.	Group Chair	At every Parent Committee meeting	N/A
8	Approve modifications to Charter.	Parent Committee	If and as needed	Simple Majority
9	Report back to Parent Committee on key progress, milestones, status of deliverables, key issues or sticking points using standard template.	Group Chair	At every Parent Committee meeting	N/A
10	Assure Group retains its focus and makes progress and avoids scope creep.	Parent Committee	Ongoing	N/A
11	Sunset Group upon completion of its Issue Charge, or determination by Parent Committee or MC.	Parent Committee	At completion	Simple Majority
12	Review status of all Groups annually, in conjunction with Annual Plan.	MC Vice Chair leads effort in consultation with Parent Committee chairs brought to MC.	Determine whether Stakeholder Groups will continue to exist, change to subcommittee, etc.	N/A

¹ It is generally assumed that any new Group will likely be a task force rather than a Subcommittee, potentially evolving into a Subcommittee over time.

Exhibit 6: Requirements for Charging and Chartering

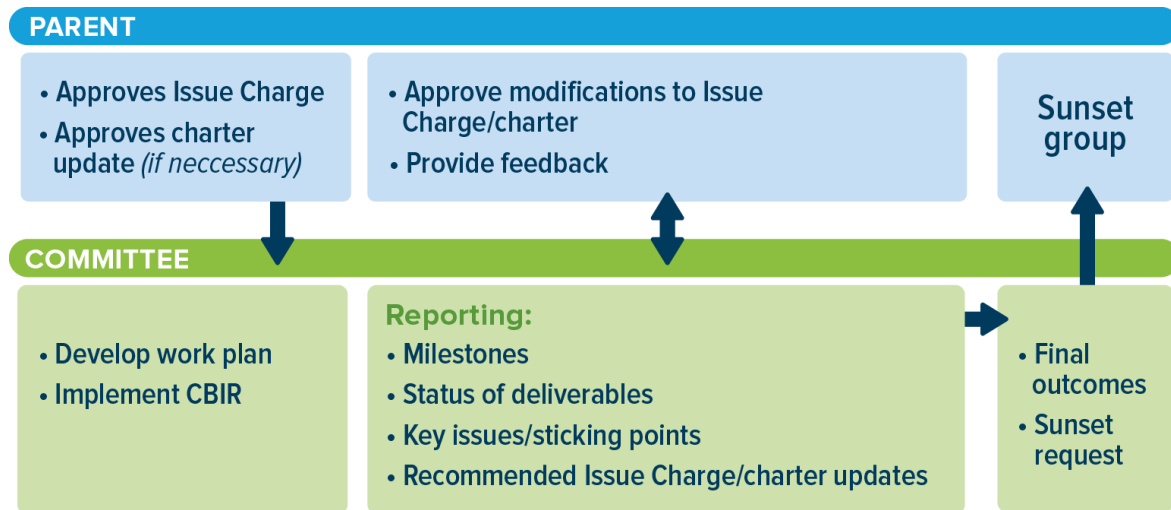


Exhibit 7: Communication Between Parent Committee and Assigned Group

Section 7: Processes for Consideration of Issues and Development of Resolution at the Task Force and Subcommittee Levels

In this section you will find information on the processes to be used at the Task Force and Subcommittee level for problem investigation, proposal development, decision-making and reporting to the Parent Committee related to resolution of an issue considered in the stakeholder process.

7.1 Overview

This section describes the processes which shall be used for consideration of issues and development of their resolution at the Task Force and Subcommittee levels. The next section describes the processes used at the Standing Committees. The processes include problem investigation, proposal development, decision-making, and reporting to the Parent Committee. These processes begin after the Charge and Charter have been developed and approved by the Parent Committee. Note that Appendix II includes templates to be used throughout these processes, and a tool box of techniques for facilitators and Members to draw upon as aids in these processes is available in Appendix IV. An illustrative example of this process is provided in Appendix V.

The purpose of these processes is to provide a methodical and repeatable approach to evaluating problems, considering all relevant information, developing reasonable and supported alternatives, and making considered recommendations. Specifically, these processes provide for the following:

- **C**learly defined and understood Problem Statements;
- **S**shared understanding of complex issues through joint and early education;
- **A**rticulation of stakeholders' underlying issues, concerns, and interests;
- **J**oint creation, exploration, analysis, and evaluation of options; and
- **C**onsistent and more detailed reporting to Standing Committees.

The exhibit below provides a graphical representation of the steps used in accomplishing these processes. The detailed procedures for accomplishing each of these steps are provided in the remainder of this section.

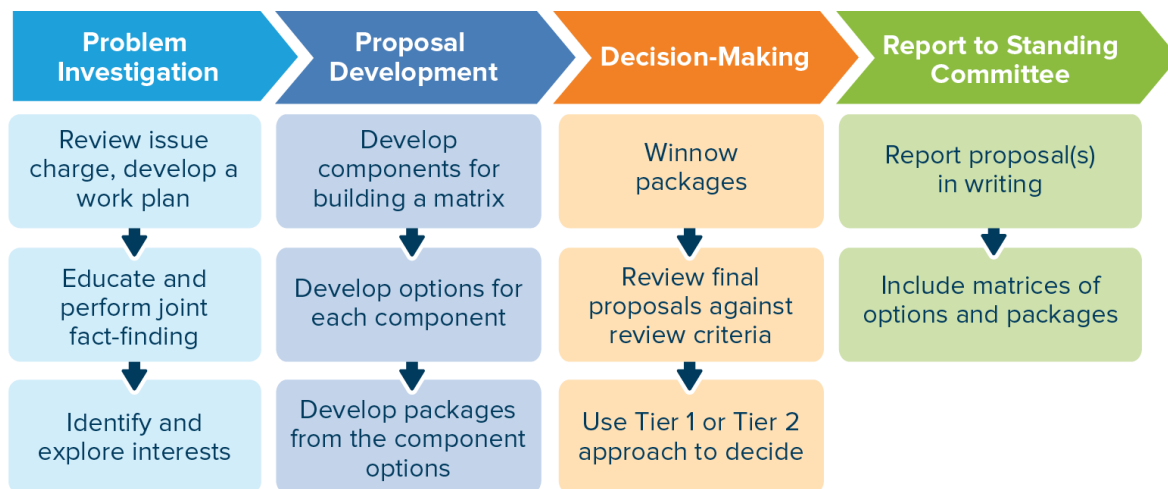


Exhibit 8: Consensus Based Resolution Process Summarized

7.2 Problem Investigation

The Problem Investigation process is essential to understanding the problem to be resolved, and to laying the groundwork for joint understanding of the issues, stakeholders' perspectives, and components and features that will be used in the further evaluation. The steps in this process include:

- Reviewing the Charge and Charter, and developing a workplan for achieving each deliverable:
 - o **R**review Charter and Charge explicitly with the group, including purpose, goal, problem statement, deliverables, and deadlines. This review should explicitly indicate whether the group has been charged with producing a single recommendation or multiple options;
 - o **P**rovide stakeholders with the opportunity to further delineate and detail the problem from their perspective;
 - o **D**elineate the most important attributes of the problem (e.g. whether the nature of the issue is more technical than policy, the potential cost and benefit impacts, or what other issues interact with and impact this issue);
 - o **D**evelop a detailed workplan to implement the Charge and Charter within deadlines set by Parent Committee¹;
 - o **D**iscuss and identify whether there are key missing interests or expertise that will be actively sought to participate in the group,
 - o Educate and perform joint fact finding² related to the problem statement and Charge:

¹ Align any work planning related to tariff changes to meet guidelines for tariff changes identified later in this Manual.

² Note additional joint fact finding and analysis may be necessary once options are identified.

- **C**larify and describe existing operations, procedures, policies, etc., if any, related to the problem the group will be addressing;
 - **I**dentify existing information and missing information (necessary to get the work done);
 - **D**evelop a plan for attaining needed information;
 - **P**rovide opportunity to bring all Members up to speed substantively (conference calls, training opportunities);
 - **S**seek agreement on both approach and inputs for any analysis to be undertaken, including who will do the work, deadlines, and goals;
 - **E**xplore best practices, considering how other Regional Transmission Organizations and others have handled the issue; and
 - **D**determine whether any outside expertise is needed to aid in developing the resolution to the issue.
- Identify and explore interests:
 - o **T**he purpose of this step is to ensure that all stakeholders have a common understanding of each other's interests vis-à-vis their potential positions on individual issues.
 - **I**nterests and positions are different – positions are assertions about what people say they want, while interests are why people want what they want (needs, motivations, concerns, and desires behind the position)
 - o A reason it is important to articulate underlying interests is that there may be multiple ways to satisfy interests besides the stated position. To garner the greatest support, solutions need to attempt to meet as many interests as possible. Second, the consolidated interest list can serve as a yardstick to judge final packages against.
 - **T**his needs to be a deliberate activity to ensure that interests are expressed before participants make proposals or state positions.
 - o **A**ask participants to state why and how the issue is (or is not) important to their organization; and
 - o **H**ave participants describe their organization's core (most important) interests, and those that may be secondary (less important);
 - **P**articipants should describe the various interests their organization has on a matter that are in addition to any direct financial ones;
 - PJM should indicate whether it has significant interests related to this issue, and if so what they are and why;
 - **T**he Independent Market Monitor should also indicate whether it has significant interests related to this issue, and if so what they are and why; and
 - OPSI (and state regulators) should be invited and encouraged to share their interests.

- Facilitator will then take the list of interests and summarize and consolidate them for the participants' review and further refinement (most likely at the subsequent meeting). The facilitator could also lead a discussion on the relative importance of each of the consolidated interests, noting areas of convergence and divergence of opinion. The consolidated list of interests including any relative importance ranking will be referred back to during the proposal development and decision-making processes to understand how emerging solutions stack up against the range of participant interests, in an effort to develop technically-sound solutions which garner the greatest amount of stakeholder agreement.

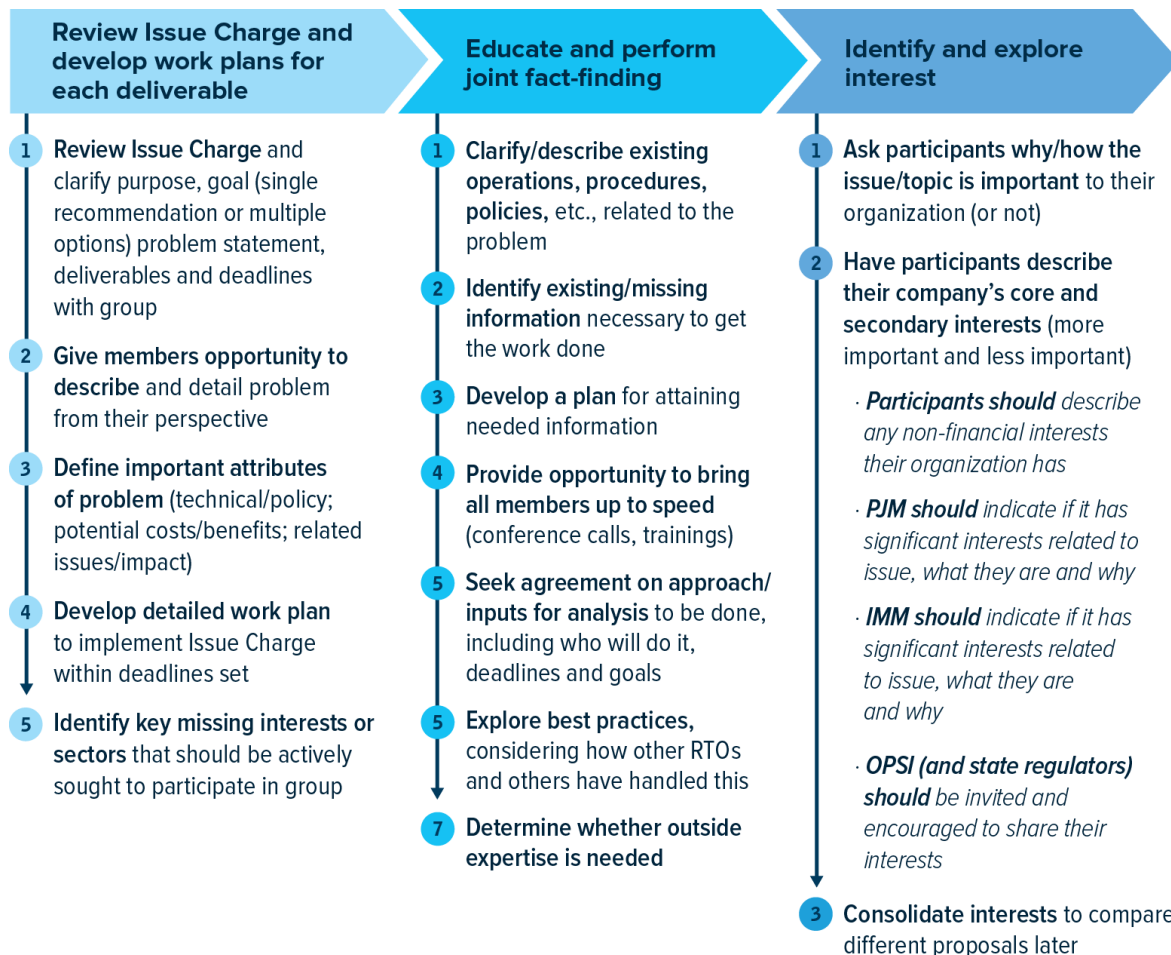


Exhibit 9: Problem Investigation

7.3 Proposal Development

Once the problem statement has been refined, opportunities for stakeholders to understand the issue and its ramifications have been provided, stakeholders have identified their interests and concerns, proposed solutions that address the Charge may begin to be developed. This is accomplished in a three-step process:

1. **I**dentify design components (which could be components or features of a solution);
2. **D**evelop various options for each design component; and
3. **T**hen package into composite proposals.

Please note extensive dialogue, polling, and other efforts may be needed to prioritize and narrow both options and packages.

- Determine design components:
 - o Identify key design components—the key elements, features or ingredients that together will comprise a full proposal to address the issue at hand
 - o **S**eek agreement on the design components and incorporate in the left hand column of the matrix
 - o **D**iscuss and seek agreement on each design component's relative importance (e.g., high, medium, or low) and note in 2nd column of the matrix relative importance and where there is agreement or a range of opinion (e.g., medium to high for a particular component). Note this step is at the facilitator's or group's option, and may also be done after the option matrix is filled out.
- Develop options for each design component:
 - o **B**rainstorm options for each design components and fill out each row;
 - o **T**he options are not bundled into packages at this point;
 - o **S**ome component rows may have very few options while others may have numerous options;
 - o **C**ollectively evaluate the options for each component, and narrow options to the extent possible. The facilitator may employ polling techniques discussed in Appendix IV to assist in narrowing the options on each row in the matrix.
 - o **C**onsider linkages across components and options that either can't mix or have to go together, and note accordingly;
 - o **T**o the extent that there is a pertinent existing situation, the status quo should be included as one of the options for each row in the options matrix – preferably in the third column, in part, to remind members of the details of existing conditions.
- Refer to sample Options Matrix exhibit below

	Priorities	Status Quo	A	B	C	D	E
Design Component 1	High	SQ Component 1	Option 1A	Option 1B	Option 1C	Option 1D	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2A	Option 2B	Option 2C	Option 2D	Option 2E
Design Component 3	Low	SQ Component 3	Option 3A	Option 3B			
Design Component 4	Medium/High	SQ Component 4	Option 4A	Option 4B	Option 4C		

Exhibit 10: Option Matrix

- Develop comprehensive packages:
 - o The group shall discuss how and whom will develop package proposals encouraging broad stakeholder proposals to the greatest extent possible, but considering proposals from PJM, the Independent Market Monitor, individual Members, and other stakeholders (e.g., OPSI and state regulators);
 - o The packages shall be constructed by selecting an option for each individual design component;
 - o The packages shall then be recorded in matrix form (i.e. a new matrix with same components and level of importance in the left two columns, but then each proposal in its own column) more than one proposal can have the same option for a particular component;
 - o The status quo should be included as the 3rd column in the subsequent package matrix
- Refer to sample Proposal Matrix below

	Priorities	Status Quo	Proposal A	Proposal B	Proposal C	Proposal D
Design Component 1	Medium/High	SQ Component 1	SQ Component 1	Option 1A	Option 1E	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2C	Option 2B	Option 2D	Option 2D
Design Component 3	Low	SQ Component 3	SQ Component 3	Option 3B	Option 3A	Option 3B
Design Component 4	High	SQ Component 4	Option 4A	Option 4C	Option 4C	SQ Component 4

Exhibit 11: Proposal Matrix

The facilitator shall use facilitation techniques to appropriately match the size and depth of the stakeholder group.

The graphic below details these processes.

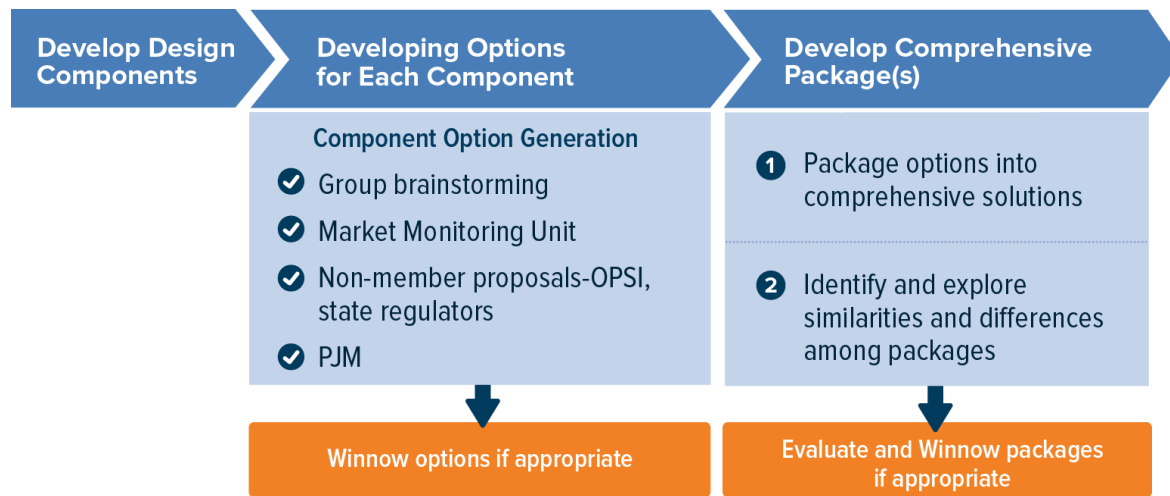


Exhibit 12: Proposal Development

7.4 Decision-making

The process for decision-making includes:

- **Comparing packages to Interests:**
 - o The group shall compare the packages against the consolidated stakeholder interests, identified earlier in the process
 - o Note: group may choose to winnow proposals first to reduce volume and complexity before comparing packages to these interests
- **Winnowing Packages:**
 - o The group shall identify similarities and differences among packages
 - o Collectively prioritize among packages, further refine, and consolidate to extent possible. This may be an iterative process. The facilitator may employ polling techniques described in Appendix IV to preferably find consensus on a single package solution, or to narrow the number of packages.
- **Seeking Agreement:**
 - o Taking note of whether the Parent Committee has specified Tier 1 or Tier 2 decision-making (see below), endeavor to reach agreement on a single or multiple proposals (Facilitator can use a variety of techniques to assist—see Appendix IV)
 - o If there is no ready agreement on a package or packages, discuss whether additional or alternative packages might be available to help bridge differences
- **Tier 1 and Tier 2 Decision-making:**
 - o Tier 1: Consensus on a single proposal (default option):

- **T**he goal is to reach as much agreement on as many elements of the issue as possible, where consensus is defined as unanimity – where all consenting parties can accept or will not object to the proposed solution;
- Member(s) may abstain - abstentions are considered the equivalent of not blocking consensus as the package is forwarded to the Parent Committee;
- Members shall strive to synthesize and consolidate the best ideas into a single “package” recommendation that addresses the design components and the consolidated interests – thus best helping PJM fulfill its overall mission while seeking to meet Members’ individual interests to the greatest extent possible;
- **T**he chair or facilitator shall test for consensus on a package proposal by asking whether any Member “objects” to recommending the package proposal to Parent Committee:
 - **I**f a Member objects, they shall explain their objections, and endeavor to provide an alternative; and
 - **O**ther Members then have an opportunity to explore those objections and offer alternatives.
- **I**f no consensus is reached on a preferred package, the chair or facilitator shall test for whether there is consensus on any of the major elements or features of the package proposal;
- **A**t the chair or facilitator’s discretion in consultation with the Task Force or Subcommittee, the chair or facilitator shall determine when to end deliberations; and
- **T**he final report, if and when consensus is reached, shall include how the preferred alternative package addresses the design components and the consolidated interests, and why it is superior to any other comprehensive package that was seriously considered;
 - **D**raft manuals and tariff or OA revisions, as needed, shall be developed by the Task Force or Subcommittee with PJM’s assistance;
 - **T**he report out shall include those Members who participated at the meeting where the final vetting of options/alternatives was completed, and those Members who regularly participated in the work group but did not attend the final meeting. Members who regularly participated in the work group shall be recorded in a registration list of participants by name; and
 - **I**f the Tier 1 process fails to produce a consensus proposal, then the decision-making process moves into Tier 2 decision-making.
- o Tier 2: Multiple Alternatives:
 - **T**his approach shall be used either if multiple packages are requested by the Parent Committee or consensus is not attainable under Tier 1 above;

- **T**he Task Force or Subcommittee shall develop a vetted, limited number of options (preferably 2-3) (unless the Task Force or Subcommittee decides to forward one proposal with objections with the number of objecting reported);
 - **T**he chair or facilitator shall select a process or processes to winnow proposals to a limited set of options (preferably 2 to 3) from the toolkit in Appendix IV (e.g. straw polling, etc.);
 - **A**ny one of the multiple options forwarded on behalf of the group to the Parent Committee shall have at least the support of three Voting Members. The supporting Voting Members shall come from at least two different sectors (these two criteria together shall constitute the Task Force and Subcommittee proposal “threshold”). Such support may come from within the active participants in the Task Force or Subcommittee, or may include those not actively participating in that particular Task Force or Subcommittee, as long as they express their support in writing to the chair or facilitator. This threshold applies regardless of the origin of the proposal (i.e. from a Member, PJM, the Independent Market Monitor, or other stakeholder. For additional information, see Section 8.5, footnote number 4.);
 - **A**t the chair or facilitator’s discretion in consultation with the Task Force or Subcommittee, the chair or facilitator shall determine when to end deliberations;
 - **T**he report to the Parent Committee shall include a descriptive comparison of the multiple options, and how they compare to the components and consolidated interests developed by the Task Force or Subcommittee;
- **E**ach option that meets the threshold of support shall have at least one named sponsor (Members Committee voting Member, PJM, or the Independent Market Monitor), and others are free to add their organizations name in support of an option or options;
 - **T**he sponsor or its designee (which can include another supporting Member, PJM subject matter expert, Facilitator, or the Independent Market Monitor) shall present its option before the Parent Committee; and
 - **I**f multiple proposals are being forwarded to the Parent Committee, there shall be no expectation for accompanying draft manuals and tariff or OA revisions until the Parent Committee selects or narrows options.
 - o Pursuing Proposals That Do Not Meet Thresholds:
 - **M**ember Proposals: Any single Member or combination of Members retains the right to raise a different proposal to the Parent Committee that didn’t meet the Task Force or Subcommittee proposal “threshold” described above. The Parent Committee may choose to consider this proposal or reject it according to its own decision-making procedures. If the Member or Members plan to bring their proposal to the Parent Committee, their proposal shall be included as an attachment to the report in a section labeled “Other Proposals That Did Not Meet the Threshold of Support”. The Member or Members shall be responsible for drafting their own proposal and submitting it within the timeframe established by the Task Force or Subcommittee chair or facilitator;

- Independent Market Monitor Proposals:
 - o If the Independent Market Monitor has its own proposal at the time that differs from the proposals under consideration by a Task Force or Subcommittee, it shall introduce that proposal at the Task Force or Subcommittee to be considered along with all other proposals;
 - o The Independent Market Monitor shall endeavor to get Member support for its proposal. If an Independent Market Monitor proposal meets the threshold, it shall be included in the body of the report to the Parent Committee and compared alongside all other proposals that meet the threshold; and
 - o However, if such a proposal does not meet the threshold and the Independent Market Monitor plans to bring its proposal to the Parent Committee, the proposal shall be included as an attachment to the report consistent with the above procedures for Members.
- PJM Proposals: If PJM wishes to put forward its own proposal, it shall follow the same process and procedures as described above for the Members and the Independent Market Monitor; and
- Presentation to the Parent Committee of any alternate proposal discussed in this section shall be limited to 15 minutes in duration, and shall specifically delineate the differences between the alternate proposal and the Main Motion.
- Important notes for this section:
 - o Issues about group process and procedures shall be decided by the group chair/facilitator after taking Member concerns and suggestions under advisement and consulting with the Secretary;
 - o Task Force and Subcommittee output are only recommendations to the Parent Committee and are not decisions or final agreements in and of themselves;
 - o Tier 1 (the consensus or single-proposal approach) shall be considered the default decision-making method for Task Forces and Subcommittees unless the Parent Committee requires otherwise in its Charge to the work group (i.e., it directs the Task Force or Subcommittee to develop multiple options rather than consensus where possible, in which case the Task Force or Subcommittee would use Tier 2).
 - o Because the decision-making method at Senior Standing Committees requires a Main Motion, any Subcommittee reporting to a senior standing committee shall vote on proposals using the same method as a Standing Committee (as described in section 8.3 below).

7.5 Report to the Parent Committees

The Task Force or Subcommittee shall provide both periodic reports and a final report to the Parent Committee. Periodic reports are discussed above, and are intended to provide the Parent Committee with updates on progress being made, milestones, status of deliverables, key issues or sticking points using standard template, and requests for approval of proposed revisions to the Charge or Charter. The final report of the Task Force or Subcommittee shall include sufficient information such that Members participating at the Parent Committee level

may understand the problem, the features or elements, their priority, the options considered and the Task Force or Subcommittee's recommendations. The final report shall include the following:

- **T**he actual proposal if Tier 1 decision-making was used, or the multiple proposals if Tier 2 decision-making was used;
- **T**he comparative matrix listing features, options and packaged proposals;
- **A** narrative description of the differences between the proposed solutions, including the rationale for selection of the proposed solution over alternate proposals;
- **T**he list of proposal endorsers, (if their consent has been received for inclusion);
- **T**he list of Task Force or Subcommittee participants;
- **A**n Appendix with alternates that did not meeting the threshold; and
- **I**dentify any multi-disciplinary issues that may require consideration by more than one stakeholder group – in such cases the chair and secretary of the Markets and Reliability Committee shall be notified; and
- **D**raft manuals, Tariff or OA revisions if Tier 1 decision-making was used.

Section 8: Consensus Based Issue Resolution at the Standing Committee Level (other than the Senior Standing Committees)

In this section you will find

the processes to be used at the Standing Committee level for problem investigation, proposal development, decision-making and reporting to the Parent Committee related to resolution of an issue considered in the stakeholder process; and

the processes for review of and decision-making regarding proposed resolution of issues developed by Task Forces and Subcommittees.

8.1 Overview

The purpose of this section is to delineate the processes for Standing Committees to both review and decide upon recommendations of their Task Forces and Subcommittees, and to identify the processes for direct consideration of issues by the Standing Committee itself.

8.2 Problem Investigation and Proposal Development

Standing Committees may take on an issue itself, or delegate this responsibility to a Task Force or Subcommittee. In the case that the Standing Committee has chosen to resolve an issue itself, the Standing Committees shall, as appropriate, have structured periods for brainstorming, problem investigation, and proposal refinement. For issues taken up only at the Standing Committee level and not processed through lower Stakeholder Groups, Standing Committees should also set aside adequate time for proposal development. These activities shall be carried out in accordance with Section 7 of this Manual:

- **D**uring these periods the Stakeholder Group shall follow similar procedures for problem investigation, and proposal development as delineated for Task Forces or Subcommittees above (the Standing Committee may need to relax formal voting procedures and Robert's Rules of Order until all proposals are fully vetted, understood, and revised, as needed);
- **T**hese structured periods could be used either to narrow and refine proposals brought to the Standing Committee from Stakeholder Groups, or to create new proposals on issues dealt with directly in the Standing Committee rather than through the Task Force or Subcommittee process; and
- **I**t is expected that these periods will be tightly structured and time bounded given the fact that Standing Committees generally have numerous issues they need to attend to, and the intent is to build on work of the Task Forces or Subcommittees where possible.

8.3 Decision Making

The goal of the Standing Committees is to reach as much agreement as possible on a single proposal, unless the Senior Standing Committee requests multiple options. When a consensus proposal cannot be developed for promotion to the Senior Standing Committees, then the Standing Committees shall forward options to the Senior Standing Committee according to procedures noted below:

- **A**t Standing Committees (other than the Senior Standing Committees), all Members have one vote. Members include Voting Members and Affiliate Members;
- **A**ny proposal/option that passes a simple majority threshold is forwarded to the Senior Standing Committee for consideration. If more than one option receives a simple majority vote, the option with the highest majority and is also preferred to the status quo is presented as the Main Motion at the Senior Committee. Other options may also be forwarded consistent with the section below on Reporting;
- **S**hould the Standing Committee not reach a simple majority on any option, they continue to work until:
 - o **I**f they have at least one proposal to forward to the Senior Standing Committee that attains a simple majority; or
 - o **I**f they decide to remand an issue back to a Task Force or Subcommittee for further development with clear instructions; or
 - o **I**f the Senior Standing Committee asks for multiple proposals even if they do not garner a simple majority of support, or the Senior Standing Committee asks them to stop working on the issue; or
 - o The Standing Committee approves the recommendation by the facilitator to discontinue work on the issue.
- **I**f there is no quorum or other participation requirement in voting at the Standing Committees (with the exception of the Members Committee). Votes are taken with the Members present (via phone or in-person) including proxies and affiliates.

8.4 Voting Method

This methodology applies to all official votes and at Standing Committees, Senior Task Forces, and Subcommittees that report to the Senior Standing Committees (but not straw polling that may be used as described in the Facilitation Tool Box included in Appendix IV).

The matrix in Appendix III provides a consolidated view of the decision-making and voting methods at the various levels in the stakeholder process:

- **A**ny Member, be they a Voting Member or an affiliate Member, may vote;
- **A**ll proposals with a sponsor that are requested to be voted, are voted;
- **I**f a proposal listed as a voting item on the agenda and posted by the required posting time, no motion is needed to hold the vote;
- **P**roposals, posted or not, brought up for vote during a meeting, shall be moved and seconded;
- **E**ach Member gets one vote per proposal;
- **T**he proposal that receives the highest percentage vote above 50% becomes the primary or main motion at the Senior Standing Committee;
- **O**ne representative of a company at the meeting may vote for all of its affiliated companies;

- **A**n authorized agent may vote for multiple Members:
- Votes shall be taken in the following manner:
 - o Votes on each proposed alternative – each Member may vote yes, no or abstain on each proposed alternative,
 - o If any proposed alternative receives greater than 50%, a second non-binding vote will be taken asking whether participants prefer the option with the highest percentage in favor greater than 50% over the status quo,
 - o If a simple majority prefers the proposed alternative over the status quo, it will become the main motion at the Markets and Reliability Committee (MRC), and any other proposed alternatives that received greater than 50% support become alternative motions at the MRC in descending order of support;
 - o If a simple majority does not prefer the proposed alternative over the status quo, the chair shall lead a discussion to determine whether to continue working on additional proposed alternatives or to terminate work on the issue and report to its parent committee. The report will still include the solution that received the highest percentage greater than 50% as the main motion.

8.5 Reporting to Senior Standing Committees

This applies to reports from Standing Committees and any other group that reports directly to a Senior Standing Committee. The substance of the report shall include:

- **S**ummaries of each proposal and a comparison of the proposals as follows:
- **I**nclude proposals that receive a simple majority vote at the Standing Committee as well as any additional proposals that are requested to be included by at least three Members in at least two sectors (and those Members wish to bring their proposal to the Senior Standing Committee). It shall be clearly indicated in the report which proposals met or exceeded Standing Committee minimum voting requirement (simple majority) and which did not;
- **T**he summary and comparison should include a description of each proposal and matrix showing how each proposal addresses the components (developed by Task Forces, Subcommittees, Standing Committees or Senior Standing Committees). This report may simply be the work already completed by the Task Force or Subcommittee, or that Task Force or Subcommittee's product may be further refined and revised by the Standing Committee, or developed by the Standing Committee itself (i.e., when issue originated at the Standing Committee and was not worked on by a Task Force or Subcommittee);
- **T**he report shall be drafted by PJM (acting in its role as facilitator) on behalf of and in consultation with the Members; and
- **T**he report shall include identification of support and opposition:
 - o **S**how vote, count and percentages, for all options included in report to Senior Standing Committee where a formal vote was taken. This is not necessary for issues where approval was by acclamation;

- o At least one Member (or PJM or the Independent Market Monitor) shall be required to sponsor a proposal and identified in the report;
- o Any other Members and Authorized Commissions that want to add their name in support or opposition to a proposal included in the report to the Senior Standing Committee can do so, if provided in a timely manner consistent with the timeframe set by the facilitator in consultation with the Stakeholder Group to finalize the report; and
- o The report shall also include a list of Member organizations present at the vote (in person or participating remotely).

8.6 Alternative Processes

Stakeholder Process offers several alternative processes for non-standard situations and minority protections (detailed in Section 12.2). These alternatives include CBIR Lite, the Enhanced Liaison Committee, User Groups, and assignment of topics as special sessions of a committee.

8.6.1 “Quick Fix”

From time to time, there may be issues identified by PJM, FERC, the Market Monitor, or Stakeholders that are urgent and/or very simple or straightforward to correct, and require no stakeholder engagement. Issues that meet these criteria may be brought before the appropriate committee in the form of a Problem Statement and Issue Charge along with a documented solution and implementation schedule, and may be voted upon at first read if timing requires it.

8.6.1.2 Expedited/Focused Application of the Consensus Based Issue Resolution Process (CBIR Lite)

There may be issues identified and that a Standing Committee has determined to pursue (approved a problem statement and Charge) which may for certain reasons benefit from more expedited and/or focused treatment through the steps in this section. These may include issues that are on an expedited timeframe, may be of interest to a limited portion of the stakeholder body, or may be expedited to take a relatively low amount of stakeholder activity to complete. Under such circumstances, the steps of sections 7.2 and 7.3 may be accomplished by a small “sub-group” of the Standing Committee. The Standing Committee shall provide direction to the sub-group (including a timeline), and the sub-group shall be facilitated by a PJM facilitator, shall follow the all of the steps included in sections 7.2 and 7.4 (but not Tier 1 and 2 Decision-making in section 7.4 – which is reserved for the Standing Committee), and shall be open to all stakeholders. Additionally, the sub-group shall have as its deliverable fully developed options and package matrices and may include recommendations for consideration by the full Standing Committee.

8.6.2.3 Enhanced Liaison Committee (ELC)

The purpose of the Enhanced Liaison Committee process is to provide the PJM Board of Managers (Board) and PJM Members an orderly and facilitated process to directly discuss contentious issues that were not resolved or would be extremely difficult to resolve within the Stakeholder process. The following chart summarizes the ELC process:

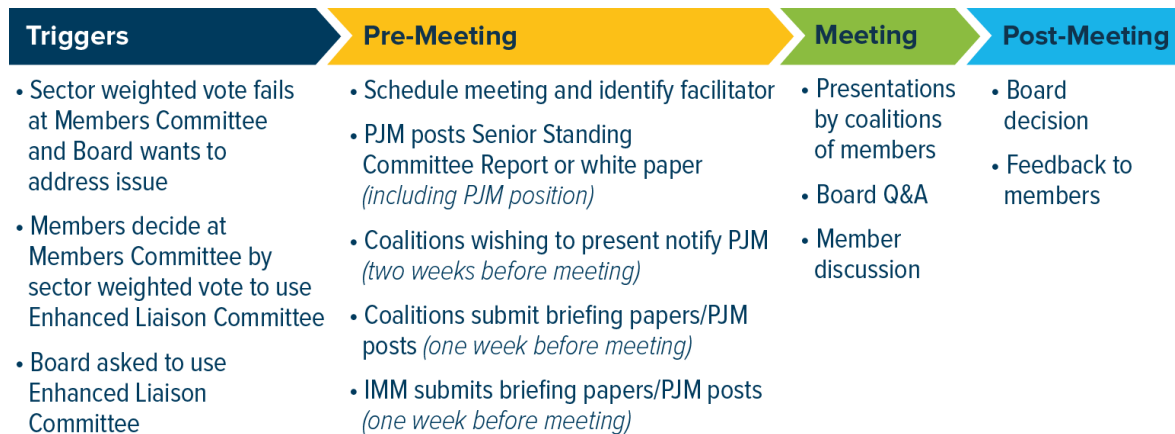


Exhibit 13: Enhanced Liaison Committee Process

Trigger for a “Difficult Issue” Enhanced Liaison Committee

- This process is intended only for the most difficult issues that affect numerous Members across sectors and involve high stakes regarding policy, finances, and/or industry impacts.
- The process can be triggered if:
 - o A sector-weighted vote (SWV) fails at the MC and PJM concludes that the issue must be addressed by the Board, or
 - o Members decide through a SWV at the MC that an issue should be addressed in such a forum, or
 - o The Board calls for addressing an issue in such a forum

Caveats

- This Enhanced Liaison Committee process is not intended to supplant, replace, or circumvent:
 - o The Consensus-based Issues Resolution (CBIR) process outlined in Stakeholder Manual 34, sections 7 and 8 (though it may accelerate the timeframe and reduce or remove the expectation that Members will seek consensus on the issue.)
 - o The PJM Board’s existing independence, process, or internal deliberations
 - o Existing minority rights outlined in Stakeholder Manual 34, including the issuance of board communication letters by any one party.
 - o Existing 205 and 206 rights of Members and PJM
 - o PJM’s ability to comply with FERC, NERC, or any other external filing deadlines
 - o The current PJM Compliance Filing protocol (reference in Appendix I)

Steps in the Process

1. A “Difficult Issue” Enhanced Liaison Committee will be triggered as noted above.

2. The MC Chair, Vice-Chair, and Secretary, in consultation with the Board, will schedule the meeting appropriately (i.e., can be either in lieu of a regularly scheduled LC meeting, appended to the end of a regularly scheduled LC meeting, or an additional LC meeting).
3. The MC Chair, Vice-Chair, and Secretary will establish and distribute a schedule for Members to organize themselves in coalitions, to prepare briefing materials, and to present Member discussions at the meeting.
 - a. At least one month will be provided between issuance of the schedule and the Enhanced Liaison Committee meeting.³
 - b. At the time it issues the schedule, PJM will include either 1) the final report from the Standing Committee to the Senior Standing Committee on the issue, which includes a matrix, as described in Section 8.5 of PJM Manual 34 (Senior Committee Report) plus, if PJM has taken or plans to take a position on the issue, a short briefing paper describing its current position and recommendations; or 2) in the absence of a Senior Committee Report, PJM will develop and issue a White Paper as described in Section 15.5 of PJM Manual 34, including a matrix and the current position advocated by the PJM staff. The PJM White Paper would need not include a characterization of stakeholder positions
 - c. Members will notify PJM of any “coalition” wishing to make an oral presentation (and, if so, who will present) at least two weeks prior to the meeting date
 - d. Additional briefing materials from Member coalitions will be submitted and provided to the Board at least one week prior to the meeting. The MMU, if it has a position, will also submit briefing materials one week prior to the meeting. All materials will be posted simultaneously one week prior to the meeting.
4. The Enhanced Liaison Committee meeting will be scheduled and held prior to any official Board meeting where the Board will decide on the issue. The Board will still decide the issue in a non-public meeting, exercising its independent judgment.
5. The MC Chair, Vice-Chair, and Secretary will help Members consolidate coalitions and respondents, as needed, to ensure a manageable number of responses and presentations in the meeting.
6. The meeting will be held at a convenient time and location

³ In special circumstances (e.g., FERC compliance filing), Members and Board may agree to conduct an ELC process with less than one month’s notice.

	At least 4 Weeks Prior to ELC Meeting	2 Weeks Prior to ELC Meeting	1 Week Prior to ELC Meeting	ELC Meeting Date	Board Decides after ELC	Feedback to Members After Board Decision
Members/PJM Initiate ELC	●					
PJM Posts Senior Committee Report/White Paper (including PJM position)	●					
Members/PJM Identify Facilitator	●					
Members Self-Select Coalitions		●				
Members Coalitions and MMU Submit/PJM Post Briefing Papers			●			
Board/Members Hold ELC Meeting				●		
Board Renders Decision					●	
Board Provides Feedback to Members						●

Exhibit 14: Enhanced Liaison Committee Schedule

Roles and Responsibilities

- The MC Chair, Vice-Chair, and Secretary are responsible for setting the agenda, handling requests for presentations by “coalitions”, managing the meeting itself, including setting time limits for presenters.
- The Vice-Chair or appropriate designee will open the meeting describing at what stage in the stakeholder process this event is occurring, the number of coalitions to present, the number of briefing papers submitted, a summary of PJM’s view, if any, and a review of the final matrix.
- The MC Chair, Vice Chair, and Secretary will assign the facilitator role (typically assumed in regular Liaison Committee meetings by the MC Vice Chair) to a member, a PJM Staff professional, or an external professional. Facilitation of the meeting shall be done in a non-partisan and effective manner.
- The MC Chair will consult with the Board Chair, as needed, in the development of the meeting.

- Members are responsible for organizing themselves into coalitions. These coalitions shall develop additional briefing papers, as needed, referencing the Senior Committee Report or White Paper; make presentations, and participate in Member discussion at the meeting.
- PJM is responsible for supporting the meeting and, if it has a substantive recommendation it intends to make to the Board on this issue, PJM will provide it in a white paper or briefing paper (as described above), prior to the meeting. PJM will also be available at the meeting to answer questions of Members or the Board.
- If the MMU has a substantive recommendation it intends to make to the Board on this issue, it will provide a briefing paper, one week prior to the meeting. MMU will also then be available at the meeting to answer questions of Members or the Board.

Organizing Coalitions of Members

- Members will self-organize into coalitions for preparing additional information, making presentations and participating in Member discussion.
- Members may organize by sector, sub-sector, business lines across sectors, or according to key interests or concerns.
- Coalitions must include at least three Voting Members (they may be from the same or different sectors)
- Members are strongly encouraged to form coalitions as broadly as possible to minimize the number of briefing papers and presentations and to focus the discussions
- The MC Chair, Vice-Chair and Secretary may assist Members in consolidating coalitions where they see similar interests or concerns,
- Individual Members may not present but can submit board communication letters on the issue by the same deadline as for briefing materials

Format of the Briefing Papers and Presentations

- The briefing papers shall be no more than ten pages in length
- The briefing papers shall be organized in accordance with, and responsive to, the issues and options matrix developed in the stakeholder process and made available prior to the Liaison Committee in either the Senior Committee Report or PJM White Paper
- The Board may also develop a specific set of questions on which Members are requested to base their responses in the briefing papers and in their presentations

Meeting Agenda Format

- The meeting shall be no more than one day in length
- The meeting shall include the following typical components:
 - o Presentations by “coalitions” as described above
 - o After completion of all Member caucus presentations, the Board shall ask general questions, or query specific Member presenters, PJM staff, or the MMU
 - o After presentations and initial Q&A with the Board, Members can discuss the issue with the Board listening and asking additional questions

After the Meeting

- After the Board has made a decision on an issue for which this process has been used, the Board may communicate with the Members regarding its decision in order to facilitate Member understanding (consistent with the purpose and expectation of the Liaison Committee, PJM Manual 34, 15.2). Members understand such communication is at the Board's discretion.
- If the Board decides to provide feedback, the Members suggest that the Board share the rationale for the decision, including the factors considered important by the Board as a whole (not by individual Board members) in addressing the issues in dispute.

8.6.4 Critical Issue Fast Path (CIFP)

The purpose of the Critical Issues Fast Path process is to provide the PJM Board of Managers (Board) and PJM Members an orderly and facilitated process for contentious issues with known PJM and/or FERC implementation deadlines that were not resolved, or would be extremely difficult to resolve, within the normal CBIR Stakeholder process. The CIFP process is to be used on major issues only in extraordinary circumstances (broad impact to markets or significant reliability issue) and is expected to be used very infrequently.

Trigger(s) for Initiating (CIFP):

- Board initiated for time-constrained major issues or existing work efforts that have not achieved, or are unlikely to achieve, consensus, or
- For a new issue, by a greater than 2/3 sector-weighted MC vote on a PS/IC in favor of sending a letter to the Board requesting the CIFP process be initiated, or
- For an in-process stakeholder issue, at proposal-development stage or later, by a greater than 2/3 sector-weighted MC vote on a PS/IC in favor of sending a letter to the Board requesting the CIFP process be initiated

General

It is envisioned that the CIFP process could be completed in as few as 5 consecutive days or take up to several months depending on the issue and necessary deadlines. For stages 1, 2 and 3, meeting times will be scheduled to cover the CIFP requirements to meet the decision deadline; multi-day meetings may be used to meet decision deadlines. CIFP meetings can require cancellation or rescheduling of any other stakeholder meetings, including standing committees.

CIFP Meeting Stages

- Stage 1 – Similar to the normal CBIR process. PJM will provide stakeholder education and its initial solution package and alternatives considered, including its option alternatives to stakeholders
- Stage 2 - Stakeholders may discuss any previously considered and/or new alternatives, with row-by-row reviews of the CIFP matrix.
- Stage 3 – Based on the row-by-row discussions, PJM will finalize its package, and stakeholders will create alternative packages as appropriate
- Stage 4 – “Final Meeting” : For the benefit of all meeting attendees, PJM will review its package proposal in the solution Matrix on a row-by-row basis to show how its

solution addresses the PS/IC. At the conclusion of the PJM presentation, Members and invited non-Member stakeholders, whether individually or in self-selected coalitions, will provide feedback to the Board on the impacts, positive or negative on the option details contained within the solution Matrix.

As the issues and interests vary, deference will be afforded to the MC Chair, Vice Chair, and MC Secretary to determine the allowed speaking times. Similar to an LC meeting, the purpose of the meeting to facilitate Member-Board communications. Therefore, the CFIP Final Meeting is not a regular stakeholder meeting, and Member- to-Member discussion on points and counter points will not be permitted.

Steps in the Process

1. For new CIFP issues, PJM will create PS & IC as informational to stakeholders and to set scope and deliverables. No MC approval vote is required. 2. Initial CIFP meeting – Presentation of an Option Matrix, “pre-loaded” with PJM package including all issue (row) alternatives considered by PJM, noting the preferred option choices and the reasons therefor. 3. PJM presents simulation results, review studies performed, and reviews forecasted market impacts as appropriate. 4. Stakeholders will have an opportunity to offer feedback, alternative ideas, and request additional studies to be completed as time and manpower permit. 5. PJM will facilitate the CIFP process using the CBIR option/solution matrix. In addition, PJM may provide a whitepaper or briefing paper as needed. 6. Stakeholders do not have any requirement for developing a whitepaper. Stakeholders always have the normal communication protocols with the Board of Managers available. During stages one through three of the CFIP process, stakeholders may add alternate options to the PJM’s initial matrix that could lead to alternative solution packages. In addition to the normal

Roles and Responsibilities

1. PJM to create the initial CIFP matrix including all row options considered.
2. PJM will facilitate the first three meeting stages.
3. Stakeholders will be presented with the details of PJM decision making and focus on improving option solutions and noting key areas of support and/or concerns.
4. The PJM IMM is required to meet with PJM prior to Stage 1 meeting to build a consensus package if possible.
5. PJM Board will approve initiation of the CIFP process, establish objectives, establish CIFP deadlines, and solicit detailed Member feedback at the final CFIP.

Participation

- Early meetings, Stages 1 -3, Open to all stakeholders. Media permitted, but without individual attribution; PJM, states & IMM are permitted to attend.
- PJM Board is required for the final (Step 4) CIFP and Members Committee meeting with two or more Board members in person consistent with MC protocols. Other Board members may participate by phone. The Board is encouraged to participate in Stages 1 -3 meetings as well.

Final Meeting Details

- Will be scheduled ideally on the morning of an existing MRC/MC meeting date.

• The meeting will be conducted similarly to a Liaison Committee in that the purpose of the meeting is to facilitate discussion between the Members and the Board. The CIFP meeting may last up to 4 hours of Member-Board conversation (including time-limited comments from the IMM, invited nonMembers and states)

• Prior to establishing the agenda for the Final CIFP Meeting, the MC Chair will invite the Members to indicate their interest(s) in speaking at the Final Meeting and to provide their specific interests that they want to communicate to the Board regarding the CIFP matrix row comments for use by the MC Chair in determining the Final Meeting agenda and time allocations.

Speaker comments shall focus on support or concerns with the package details as shown on the matrix

Attendance

- Open only to Members, IMM, States, PJM and invited non-Members. The participation of non-Members will be at the discretion of the MC Chair in consultation with the Vice Chair and MC Secretary. Strict time limited presentations will be enforced for all speakers. In person only meeting participation (no phone or video)
- Media rules will be the same as for the Liaison Committee

Facilitation

The MC Chair, Vice Chair, and Secretary determine and assign the CIFP facilitator role to a Member, a PJM Staff professional, or an external professional. Facilitation of the meeting shall be done in a non-partisan and effective manner.

Presentation timing – As topics and interests will change for each time the CIFP process is utilized, the MC Chair, Vice Chair, and MC Secretary shall use their best non-partisan judgement to fairly allocate the speaking times for all final CIFP meeting participants. These decision makers will consider the following parameters in their decision making:

- Balancing Sector time allocation appropriately with Sector interests
- Consideration of Sector impact of proposed changes
- Consideration of impact of changes on individual Members
- Fixed time limits for any individual Member
- Consideration may be given to Members with self-selected coalitions may be given more time than individual Members
- Other factors as appropriate o States will be offered a time-limited opportunity to speak following PJM
- IMM will be offered a time-limited opportunity to speak during the meeting. If the IMM cannot support the PJM package, they may offer an alternative package focused on row by row concerns similar to Member CIFP meeting requirements.
- Member presentation slides are not permitted at the final meeting.
- Appropriate time at the Final Meeting will be allotted for Q&A between the Board and Members

After the Stage 4 CIFP Meeting

At the conclusion of the Final Meeting, an MC meeting will be convened to vote on the packages. Sector weighted voting on all packages will occur concurrently. As with all MC sector-weighted votes, an MC level voting report will be prepared and posted and available to the Board.

If a package achieves greater than 2/3 support, or the package with the greatest support if more than one package were to reach 2/3 support, the package may be filed as a Section 205 at FERC.

After the MC Meeting

The Board is required to communicate to the Members before filing a proposal with FERC. The communication will include detailed response on why the Board selected the solution they did, focusing on the contentious lines in the matrix and including justification/reasoning to facilitate Member understanding.

Once all steps of this process have been completed, the Board retains its authority to act consistent with the PJM Operating Agreement.

8.6.3.5 User Groups

A User Group is a stakeholder group formed by any five or more Voting Members (this does not include Affiliate, Associate or Special Members) sharing a common interest. Operating Agreement 8.7 delineates the requirements related to User Groups. Membership is limited to the forming Members, provided that they may invite such other Members to join the User Group as the User Group shall deem appropriate. Notification of the formation of a User Group shall be provided to all Members of the Members Committee. All stakeholders may attend and participate in meetings of User Groups. Notices and agendas of meetings of a User Group shall be provided to all Members that ask to receive them. Meeting notes should be posted on PJM.com for all meetings of a User Group. For all votes taken by a User Group regarding making a recommendation directly to the PJM Board of Managers, a record shall be posted on PJM.com including the names of all User Group Members and their individual votes (for, against or abstain).

As required by the operating Agreement section 8.7 (b), the Members Committee has created a User Group, called the Public Interest, Environmental Organization User Group, composed of representatives of bona fide public interest and environmental organizations that are interested in the activities of PJM and are willing and able to participate in the User Group.

Any recommendation or proposal for action adopted by affirmative vote of three-fourths or more of the Members of a User Group shall be submitted to the Chair of the Members Committee. The Members Committee Chair shall refer the matter to the applicable Standing Committee as appropriate for consideration at that Standing Committee's next regular meeting, occurring not earlier than 30 days after the referral. That Standing Committee shall develop and provide to the Members Committee a recommendation for consideration at the Members Committee's next regular meeting. If the Members Committee does not adopt a recommendation or proposal submitted by a User Group, upon vote of nine-tenths or more of the Members of the User Group the recommendation or proposal may be submitted to the PJM Board for its consideration in accordance with Section 7.7(v) of the Operating Agreement.

8.6.4-6 Final Attempt at Resolution

Should the CBIR process and/or any of these alternative processes fail to meet the desired outcome, stakeholders have the right to appeal to a Senior Standing Committee using procedural motions detailed in Sections 9.6 and 12.2. of this manual. Additional options include communication via letter to the PJM Board of Managers, as well as discussion at a Liaison Committee meeting.

Section 9: Rules of Procedure for Senior PJM Committees (Members and Markets & Reliability Committees)

In this section you will find specific rules of procedure for operation of the Senior Standing Committees.

The following rules of procedure apply to the Members Committee and the Markets & Reliability Committee.

9.1 Quorum (for the Members Committee only)

The Chair shall declare a quorum present, if such is the case and a quorum is required, or may direct that the Members be polled to determine a quorum in accordance with OA section 8.3.3. Once a quorum is determined to be present, it shall be considered to be present until the noticed end time for the meeting. Actions taken during this scheduled time shall be deemed to have been taken with a quorum present, and quorum calls are not permitted during this scheduled time. Other than actions taken during the scheduled time for meetings of the Members Committee in accordance with this rule, no action may be taken by the Members Committee at a meeting unless a quorum is present. After that time, if a quorum is not present, the Members Committee may continue discussion of materials on the agenda, however, it may not take action. At the discretion of the Chair, administrative or reporting items may be accomplished if a quorum is not deemed to be present.

9.2 Agendas

The proposed agenda Published for the meeting shall determine the Order of the Day; provided, the first order of business (whether or not so shown on the agenda) shall be changes, if any, to the Published agenda. At this time, any Member may object to consideration of a matter on the proposed agenda for lack of Complete and Timely Notice; the Chair, assisted by the Secretary, shall rule on the objection. An agenda item may be added to the Published agenda for consideration with a two-thirds vote of the Members.

Each agenda item brought to a Senior Standing Committee shall concern one discrete topic and the discussion of that item shall exclude matters which are not germane to that topic. The Chair may also schedule unrelated matters for Consent Agenda approval (at the Members and Markets and Reliability Committees). The Chair shall determine the Consent Agenda based on the expectation that the Members will consent to vote on those matters expeditiously, together and without discussion. Note that the consent agenda may be treated as a single topic with multiple items. No later than the beginning of each meeting, at the time the Order of the Day is adopted, if any Member objects to expedited consideration of a matter on the Consent Agenda, the Chair shall remove that matter from the Consent Agenda and add it to the meeting agenda as a separate discussion item; the Chair shall determine where the matter shall be inserted into the agenda. When the Consent Agenda comes to the floor, there shall be no discussion of the merits; provided, a Member may request that its vote on a particular matter be noted in the minutes.

9.3 Speakers

The Chair shall indicate the person who has the floor. When two or more Members seek recognition at once, the Chair shall decide who is entitled to the floor. Speakers, after identifying themselves and the company(s) they represent, shall speak in turn (when there is a queue), and the Chair shall recognize speakers prior to them speaking.

9.4 Main Motions

- A Main Motion Published by a PJM Stakeholder Group shall be deemed moved by the Stakeholder Group's representative as Published; no second is required.
 - o The representative shall be given an opportunity to make a supporting statement or presentation before general discussion ensues.
 - o At this time, the representative may propose to accept one or more friendly amendments and technical corrections whether or not Published.
 - o The Chair shall ask if there is an objection by any Member to such friendly amendments or technical corrections and if there is none, they shall be incorporated prior to general discussion.
 - o If an amendment or correction is objected to, it shall be considered an Alternative Motion, if seconded, and voted on in accordance with Motion Voting Order below, unless withdrawn.
- For main motions moved and seconded from the floor, friendly amendments or technical corrections are accepted by the Member and the second. Any Member who objects to the revised motion may discuss this objection and offer an Alternative Motion if the friendly amendment or technical correction is accepted.

9.5 Motion Amendments

During discussion of the original main motion, any Member may move an amendment germane to it in the form of an alternative (amended or substitute) Main Motion. If such amendment was published, the mover shall make the motion as Published but also may offer technical corrections and accept friendly amendments. The merits of each such amended version of the Main Motion shall be discussed (when seconded) along with the original main motion, in such order as the Chair shall prescribe; provided, the Chair may determine at any time before or during its discussion that an amendment is not germane to the original motion and therefore out of order. The Chair shall appoint, and yield the chair to, a temporary presiding officer before participating in the substantive discussion of any main motion.

9.6 Motion Discussion

During any one such discussion of a Main Motion and its alternatives pursuant to the previous paragraph, a Member may speak no more than twice, nor longer than five minutes at one time, except to address a new alternative. This limitation shall not apply to the representative of the Stakeholder Group sponsoring the original main motion, and may be waived by a majority of the Members.

9.7 Motion Voting Order

The original Main Motion and each amended version, after each amended version has been moved and seconded, shall come up for a vote in the following order: (a) the original Main Motion, (b) amendments/alternative motions in the order in which Published, and (c) amendments/alternative motions not Published, in the order moved at the meeting, until one is adopted. The mover of the Main Motion or an amendment may move to withdraw it at any time. If the Main Motion and any Alternative Motions Fail and no amendment is adopted, the Main Motion can be voted on again provided it is moved and seconded by any Member. Reconsideration of an Alternative Motion which Failed when considered previously shall be moved by a Member who voted for its defeat, and reconsideration of a motion previously Passed shall be moved by a Member who voted for its passage.

The matrix in Appendix III provides a consolidated view of the decision-making and voting methods at the various levels in the stakeholder process.

9.8 Voting on Motions

The vote on a Main Motion shall be recorded by sectors at the call of the Chair or if any Member requests it (calls for a division), and shall Pass if it receives the two-thirds vote required in section 8.4(c) of the Operating Agreement. The vote on a Secondary Motion (e.g., to lay on the table, to refer to Stakeholder Group) shall be taken by sectors if five or more Members request it, and shall Pass if it receives the majority or two-thirds vote required in this Manual, calculated in accordance with section 8.4(c) of the Operating Agreement. At the Members Committee, a roll call vote may be requested by any Member prior to the taking of the vote. A record of the roll call votes of individual Members shall be maintained by PJM, but a Member's vote shall be reflected in the minutes only if so requested by the voting Member. Members may request a copy of roll call votes recorded by PJM a specific issue. The Chair may vote to break a tie on any Secondary Motion decided by non-sectoral vote. The Chair shall avoid participating on behalf of a Member in any sectoral vote if there is any other representative of that Member present and qualified to vote. Members shall report any difficulties with casting their votes promptly. If a sufficient number of members experience and report difficulties promptly such that the results of the vote may be affected, the vote will be retaken (the Chair of the meeting shall make such determination). Votes for individual voters experiencing technical issues will be resolved if reported promptly. If difficulties are not reported before moving on to the next agenda item they may not be addressed.

9.9 Governing Procedures

In all matters of procedure not specifically covered by the Operating Agreement or this Manual, the most recent edition of Robert's Rules of Order, Newly Revised shall govern where applicable. A Robert's Rules Guide has been provided in Appendix III. Special rules for the conduct of business in the current meeting, not inconsistent with the Operating Agreement or these Rules of Procedure, may be adopted at any time by vote of a majority of the Members.

9.10 Chair's Prerogative

The Chair is encouraged to expedite the timing and steps of the process when able to do so without objection and the issue has been covered sufficiently. The Chair may end discussion of a specific topic if the Chair believes discussion is repetitive or stalemated.

The Chair may rule a Member out of order if the Member's behavior seems intended merely to delay the meeting or to harass a previous speaker. Members can object to such a ruling by an appeal from the decision of the Chair.

Section 10: Process for Review and Effective Dates of Governing Document Revisions

In this section you will find the process for review of proposed revisions to the PJM governing documents, and a statement regarding the timing of implementation of approved revisions to the PJM governing documents.

10.1 Overview

The purpose of this section is to define the processes used by PJM and the Members to review and implement revisions to the PJM governing documents subject to approval of the FERC – specifically, the Operating Agreement, the Open Access Transmission Tariff and the Reliability Assurance Agreement. This section shall not apply to revisions to the governing documents required by a FERC compliance directive. Refer to Appendix I for the Compliance Filing Protocol. This process does not apply to portions of the Tariff controlled by individual Transmission Owners.

The intent of these processes is to provide for a timely and orderly review of proposed revisions to allow incorporation of stakeholder comment, and to provide orderly implementation of revisions to the governing documents and their concomitant Manual, procedure and system changes at both PJM and Member companies.

While proposed revisions to the PJM governing documents can be made at any time throughout the year, to the maximum extent practicable, the effective date of these revisions should be made at only two times per year: January 1 and June 1. The purposes of this batched implementation are to provide stakeholders and PJM the opportunity to update systems, training and processes in an orderly fashion, to allow sufficient time for orderly communication and preparation, and to provide stability of platforms throughout as much of the operating year as possible. Other effective dates of governing document revisions may be made during the year if directed by the FERC or the implementation is required for reliable operations.

10.2 Governing Document Review Postings

PJM shall post draft governing document revisions for stakeholder use on a governing document focused page on PJM.com. As part of that posting PJM shall include any business rules or other summaries generated by the Task Force or other Subcommittee that necessitated the changes to the governing documents. The posting shall identify a PJM contact assigned and available to discuss the draft revisions and a PJM contact representing the Task Force or Subcommittee sponsoring the proposed revisions who can discuss the business rules or documents requiring the governing document revision.

Either at Members request or as PJM deems appropriate, and as time permits, PJM shall offer the opportunity for a 'page turn' meeting(s) for proposed and/or stakeholder endorsed business rules either prior to the MRC vote or after the MRC vote but prior to PJM filing the changes at FERC.

10.3 Notification Process

PJM shall issue email notifications to the appropriate Stakeholder Group when postings are made to the governing document review page of PJM.com. Notices shall be sent to the following stakeholders:

- Participants listed on the roster for the Stakeholder Group sponsoring the changes;
- Participants listed on the rosters for any Standing Committees that will ultimately vote on the proposal that the governing document revision addresses;
- Others who register to be notified of governing document revisions; and
- The Members Committee.

10.4 Posting Process Timelines

Any proposed revisions to the governing documents shall meet the following timeline relative to a final vote on the proposed revisions at a Markets and Reliability or Members Committee meeting. In addition, PJM shall provide a draft of proposed governing document revisions in a timely fashion for review at the Markets and Reliability or Members Committee meeting where the proposed revisions are introduced.

- 7 Calendar Days before the Markets and Reliability or Members Committee meeting at which voting will be accomplished – PJM shall post the final proposed governing document revisions;
- 3 Business Days prior to the posting date – All comments on the draft revisions are due from stakeholders to PJM (PJM has 3 Business Days to incorporate comments);
- 5 Business Days prior to when comments are due (8 Business Days prior to the Posting Date) – PJM shall post the draft governing document revisions to allow stakeholders 5 business days to comment.

In the event language that was posted in accordance with Manual 34, Section 10.4 is substantively modified at the time the MC is voting on such language or thereafter, PJM shall post such language, to the extent practicable, at least 3 business days prior to the intended filing of such language for stakeholder review and input. Such review and input is not intended to initiate a new vote on the language or to change the substance of it. When this provision is triggered, PJM shall provide a dedicated email to receive such feedback.

The following chart demonstrates this timeline.

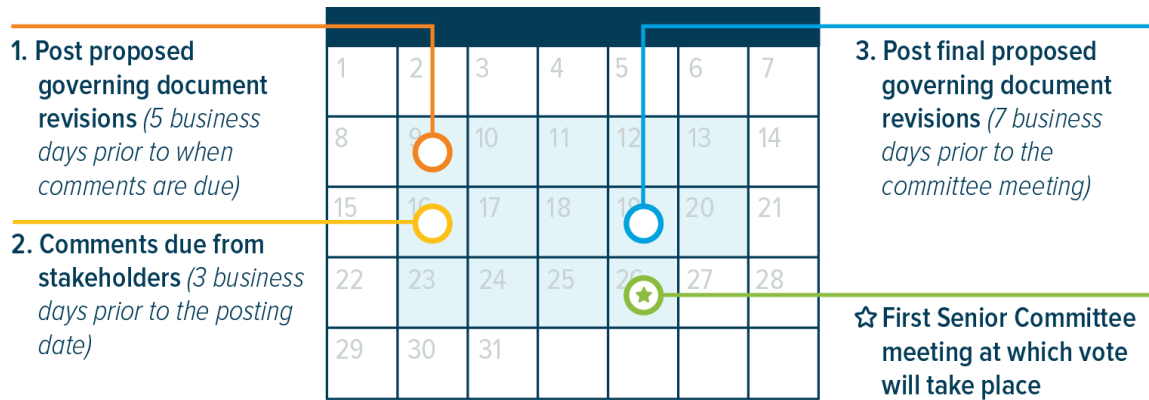


Exhibit 15: Sample Timeline for Review of Proposed Governing Documents Revisions

10.5 Other Venues as Required

If PJM receives multiple conflicting comments or determines a meeting is necessary to resolve comments a conference call shall be scheduled with a minimum of 2 business days notice. PJM shall also schedule a conference call if requested by a stakeholder.

10.6 Implementation Timing

To the maximum extent possible, governing document revisions, including system updates, Manual revisions, procedure revisions, training and any other actions necessary to implement the revisions should be accomplished on a semi-annual basis. Effective dates should be identified as either January 1 or June 1 of each year.

Section 11: Additional Rules of Procedure

In this section you will find specific rules of procedure applicable to all Stakeholder Groups.

11.1 Communications

Except as otherwise expressly provided herein, notices required in accordance with the Operating Agreement shall be in writing and shall be sent to a Member by overnight courier, hand delivery, telecopy or email to the representative on the Members Committee of such Member at the address for such Member previously provided by such Member to the Office of the Interconnection.

11.2 Agendas

The agenda is determined by the Chair of each Stakeholder Group with assistance from the Secretary. The Secretary of each stakeholder group shall Publish meeting agendas (including any matter tabled at the Stakeholder Group's previous meeting) prior to its meeting, along with any amendments to main motions received from the Members for discussion.

Requesting an item be added to an agenda (introduction of a new issue) - Any stakeholder may request that a new issue be considered in the stakeholder process. In such a case, the stakeholder shall review the request with the Secretary of the Members Committee for determination as to which Standing Committee the stakeholder shall present the issue. The stakeholder shall then review the issue with the Chair and Secretary of the appropriate Standing Committee, and the Chair and Secretary shall add the issue to the agenda of the next appropriate meeting of the Standing Committee. The stakeholder shall be allotted no more than 15 minutes for the presentation of the issue at the meeting, and the presentation shall include the following information (at a minimum):

- The problem statement - a concise statement of the issue (whether a problem or an opportunity) being presented;
- The objective of the stakeholder's presentation;
- The timeliness of the issue (i.e. the timeframe in which the issue should be addressed);
- The estimated magnitude and potential impacts of the problem; and
- The stakeholder's initial presentation shall not include a proposed solution to the problem presented. The Chair may allow discussion of potential solutions at the initial presentation if in his opinion the problem presented is sufficiently simple.

All materials requested to be posted shall be provided to the secretary of the appropriate group at least three business days prior to the required posting date for the meeting to enable review to ensure that all appropriate requirements of this Manual have been met. Materials received after this time may be accepted for posting and inclusion on the agenda at the Chair's discretion. Materials shall meet the requirements of the preceding paragraph, be thorough but concise and provide sufficient information for the group to take action. To enable presentation

via Web Ex, it is requested that documents be provided in their native format, rather than in pdf format.

11.3 Meeting Notes and Minutes

The secretary of each stakeholder group shall maintain and make available the minutes or meeting notes and other public records of its stakeholder group in a manner consistent with PJM's meeting tracking system. Draft minutes should be posted approximately one week following the meeting, and in all cases shall be published prior to the next regular meeting.

11.4 PJM Stakeholder Group Meetings

Scheduling

The Secretary of the Members Committee has ultimate meeting prioritization decision.

The committee facilitator shall be responsible for setting agreeable meeting dates to minimize conflicts with other PJM meetings. The committee sSecretary is shall be responsible for resolving any scheduling conflicts as required.

When scheduling meetings, higher level Stakeholder Groups shall have preference over lower level Groups.

To the extent possible, major meetings of other RTOs and/or FERC should also be considered.

Sub-Committee meetings may be scheduled one year in advance, and may be shortened and consolidated when possible.

(Sr.) Task Forces, Special Sessions, etc. are permitted to be scheduled only 6 months in advance to more accurately reflect their meeting need and duration.

To the extent possible, PJM will try to consolidate meetings that are historically two hours or less into the same day.

Meeting dates shall be set at a minimum of two meetings ahead.

Stakeholder meetings may be scheduled in 1-hour blocks, and cancellation or shortening of all Standing Committee/Subcommittee meetings is permitted as needed. However, Eevery effort should be made not to change meeting dates once set. If a meeting date must be changed, the Stakeholder Group chair shall provide the Members with justification for the change.

Meetings two hours or less will be conference call/ WebEx only, unless paired with other like in-person meetings.

The meeting facilitator should ensure all meetings end by the posted agenda end time (no later than 5pm) or seek consensus from the group to extend the meeting. To a reasonable extent, facilitators will manage the meeting agenda to the scheduled time allotment for each item.

Annually, PJM should designate two consecutive full business days of every month as "blackout no-meeting dates", recognizing major religious and national holidays, (preferably Monday and Tuesday) and shall attempt to provide these dates on a regular basis. Under no circumstances shall PJM schedule meetings on these dates without prior unanimous consent of that Stakeholder Group. This provides participants certainty that they can schedule travel or meetings with sufficient advance notice.

PJM may hold 1 additional "high priority and/or time critical topic" meeting day to be scheduled at PJM's discretion.

Every effort should be made not to change meeting dates once set. If a meeting date must be changed, the Stakeholder Group chair shall provide the Members with justification for the change. **PJM will continually review all current active and inactive stakeholder groups, and will present to the Members Committee a recommendation for scheduling and prioritization of all current groups and issues. This will be done on an annual basis in conjunction with a review of the annual MC work plan.**

Secretary is shall be responsible for resolving any scheduling conflicts as required.

Notification and publishing ■

PJM shall cause all meeting announcements, agendas and minutes to be Published, and shall maintain an electronic distribution list for each Stakeholder Group.

Access ■■

In order to facilitate attendance, PJM shall arrange for telephone conferencing capability (or equivalent) for stakeholders desiring to attend a Stakeholder Group meeting from a remote location. The instructions for stakeholder use of such conferencing capability shall be published, and shall accompany the agenda for the meeting if feasible.

Confidentiality ■

In general, Stakeholder Group deliberations shall be open to all stakeholders.

When the matter under discussion concerns confidential or commercially-sensitive information, the Chair may temporarily exclude certain participants or limit the information disclosed, in accordance with all applicable standards of conduct, confidentiality and antitrust requirements.

11.5 Proxy Voting Protocol

Each Member may nominate a Primary, an Alternate, and two other representatives, consistent with existing PJM rules. A representative does not have to be employed directly by the company but may be an agent, consultant, or other entity.

Any of the Member's representatives may cast a vote for the Member, although only one representative may cast a vote at any given time. It is up to the Member to ensure which representative will be voting on an issue. The same representative does not have to vote on every issue at a meeting.

A Primary representative or a designated Alternate of a Member may request in writing that a different person be designated to vote by proxy no later than thirty minutes prior to the commencement of the meeting at which votes are to be cast. This shall be done through the existing proxy rules, with the only change being to the thirty minute deadline.

If for some reason the person designated to vote for a Member who was present at the meeting, who was expected to vote, and who must leave the meeting before a vote is cast, that person may ask PJM in writing to cast the vote on behalf of the Member for the next vote to occur. For any subsequent votes not related to the original topic, PJM will not cast a vote on behalf of the

representative, and it is incumbent upon the Member to notify one of its representatives that it must replace the representative that is no longer available to vote at the meeting.

11.6 Decision Making

The matrix in Appendix III provides a consolidated view of the decision-making and voting methods at the various levels in the stakeholder process.

Sector-Weighted Voting – In any Senior Standing Committee, the sector voting and proxy requirements of sections 8.4(b) and 8.2.5, respectively, of the Operating Agreement shall apply. The affirmative sector vote required to pass the pending main motion shall comply with section 8.4(c) of the Operating Agreement. Secondary Motions shall be decided in accordance with the Rules of Procedure for PJM Stakeholder Groups which are a part of this Manual.

Acclamation voting – To expedite the voting process, at times when in the opinion of the Chair it appears that there is little opposition to a proposal, the vote may be taken by requesting that all those objecting or abstaining identify their objection or abstention. All those not responding shall be deemed to be voting in favor. The number of objections and abstentions shall be counted and the Chair shall make a determination whether there is sufficient objection or abstention that would prevent the proposal from passing.

Proxies – Proxies shall be permitted at all levels in the stakeholder process.

Voting Eligibility - In any Stakeholder Groups other than a Senior Standing Committee, each Member Company present shall have an individual vote (including Affiliate Members), and the other Rules of Procedure for PJM Stakeholder Groups shall be applied as circumstances require in a relaxed manner. At Senior Standing Committees only Voting Members or their designated agents can vote.

Quorum Requirement – In the Members Committee, a quorum shall be required as stated in Operating Agreement section 8.3.3. In any Stakeholder Group other than the Members Committee, there shall be no quorum requirement (but the stakeholder group Chair in the Chair's discretion may declare adjourned any meeting which fewer than ten Members in attendance).

Default – In accordance with section 15.1.3 of the Operating Agreement, a Member declared in default in writing by PJM shall not be entitled to participate or vote in Stakeholder Groups meetings and shall be excluded from the Stakeholder Group's quorum requirements. The Secretary shall have available an up-to-date list of those Members whose voting rights have been suspended due to default, which list, whether or not later found to be inaccurate, shall determine a Member's right to vote in any Stakeholder Group meeting.

Voting Issues – Members shall report any difficulties with casting their votes promptly. If a sufficient number of members experience and report difficulties promptly such that the results of the vote may be affected, the vote will be retaken (the Chair of the meeting shall make such determination). Votes for individual voters experiencing technical issues will be resolved if reported promptly. If difficulties are not reported before moving on to the next agenda item they may not be addressed.

Transparency of Voting Item – Whenever possible, the text of the item to be voted upon should be shown on the in-room projection and on Web Ex.

11.7 Allowing Sufficient Opportunity for Review

In general, it is expected that items brought before a Standing Committee for action (voting) will be presented in written format, including proposed governing document revisions at one meeting for information and discussion, and voted upon at the next meeting. Under certain circumstances, this preliminary presentation and discussion step may be waived at the discretion of the members of the Stakeholder Group at which the presentation and/or voting will take place (if there is objection by any Member to decision-making at the first presentation, a vote shall be taken to determine whether to proceed with decision-making, and the threshold shall be simple majority). In these situations, the agenda shall so note and shall be noted in the transmittal to the Stakeholder Group. The transmittal shall include justification in the email for waiving the initial presentation step. A sample timeline showing the interrelationship between presentations and voting at meetings of the Members Committee and the Markets and Reliability Committee is provided below.

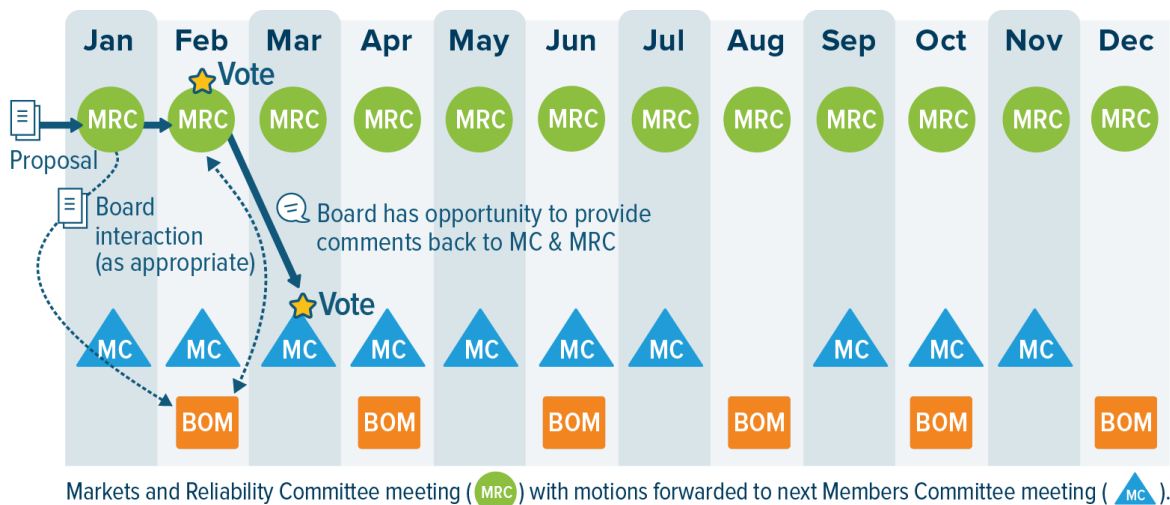


Exhibit 16: Sample Proposal Approval Schedule

11.8 Antitrust Guidelines

The Chair of each Stakeholder Group shall remind participants of antitrust guidelines on a regular basis. Such notification may be included in the meeting agenda transmittals and must be referred to in the meeting.

11.9 Stakeholder Group Chairmanship

The Vice Chair of the Members Committee shall be elected as provided in the Operating Agreement.

The President of PJM or his/her designee after consultation with the Chair of the relevant Parent Committee, shall appoint the Chair of any other Stakeholder Group from among available PJM employees or the Stakeholder Group's participants.

11.10 Committees

The Members Committee and any other Standing Committee may create subordinate Stakeholder Groups from time to time in accordance with these procedures.

The Markets and Reliability Committee, and the Market Implementation Committee, the Planning Committee and the Operating Committee (all under the Markets and Reliability Committee), shall be permanent Standing Committees of the Members Committee.

As noted above, a Standing Committee may form a Task Force to accomplish a specific inquiry or task of limited duration. A Task Force shall terminate automatically upon completion of its assigned tasks and, if not terminated, shall terminate two years after formation unless reauthorized by the Standing Committee that directed its formation. The Secretary shall notify the distribution list for the body under review of the meeting at which the Parent Committee's review will take place, and the Chair of the body under review shall participate in the review. If re-authorization is denied, its Chair shall wind down its affairs in an orderly manner and shall recommend to its Parent Committee an appropriate reassignment or disposition of all pending matters.

No stakeholder group may delegate its assigned work to a User Group, but, in its deliberations, may consider the recommendations of a User Group.

11.11 Elections

The representatives or their alternates or substitutes on the Members Committee shall elect from among the representatives a Vice Chair, who shall ascend to the Chair the following year.

The offices of Chair and Vice Chair shall be held for a term of one year.

The terms shall commence at the last regular meeting of the Members Committee each calendar year and end at the last regular meeting of the Members Committee of the following calendar year or until succession to the office occurs as specified herein.

Except as specified below, at the last regular meeting of the Members Committee each calendar year, the Vice Chair shall succeed to the office of Chair, and a new Vice Chair shall be elected.

The Vice Chair shall be elected from each sector on a rotating basis starting in 2006 with the End Use Customer sector and continuing with the Generation Owner, Transmission Owner, Electric Distributor, and Other Supplier.

If the office of Chair becomes vacant, or the Chair leaves the employment of the Member for whom the Chair is the representative, or the Chair is no longer the representative of such Member, the Vice Chair shall succeed to the office of Chair, and a new Vice Chair shall be elected at the next regular or special meeting of the Members Committee, both such officers to serve until the last regular meeting of the Members Committee of the calendar year following such succession or election to a vacant office.

If the office of Vice Chair becomes vacant, or the Vice Chair leaves the employment of the Member for whom the Vice Chair is the representative, or the Vice Chair is no longer the representative of such Member, a new Vice Chair shall be elected at the next regular or special meeting of the Members Committee.

In each election of Board Members and the Members Committee Vice Chair, votes shall be taken by secret written paper ballot for those Members attending in person and by secret ballot for those Members participating by teleconference. The ballots shall be counted by sectors. After ballots have been collected, the Chair may proceed to the next order of business, announcing the result when known, and resume the election later in the meeting if additional votes are required. This vote may be taken by acclamation with member agreement.

The Vice Chair shall be elected from each sector on a rotating basis starting in 2006 with the End Use Customer sector and continuing with the Generation Owner, Transmission Owner, Electric Distributor, and Other Supplier.

Whenever the Members Committee must fill multiple vacancies on the PJM Board, the order of election shall be:

- the position for a regular term;
- the position for the longest vacancy to be filled;
- the position for the next longest vacancy to be filled.

11.12 Speakers

The Chair shall indicate the person who has the floor. When two or more Members seek recognition at once, the Chair shall decide who is entitled to the floor. Speakers, after identifying themselves and the company(s) they represent, shall speak in turn (when there is a queue), and the Chair shall recognize speakers prior to them speaking.

11.13 Sector Designation Announcement

Sector designations of all Voting Members shall be noticed at the Annual Meeting. Members changing sectors will be announced at the meeting; a complete list of Voting Members with their sector selection will be posted with the meeting materials for the Annual Meeting.

11.14 Consultation with Transmission Owners and Members

In accordance with Tariff section 9.2.b, “PJM shall consult with the Transmission Owners and the PJM Members Committee beginning no less than seven (7) days in advance of any Section 205 filing under Section 9.2(a), but neither the Transmission Owners, except as provided for in Section 9.3, nor the PJM Members Committee shall have any right to veto or delay any such Section 205 filing. PJM may file with less than a full 7 day advance consultation in circumstances where imminent harm to system reliability or imminent severe economic harm to electric consumers requires a prompt Section 205 filing; provided that PJM shall provide as much advance notice and consultation with the Transmission Owners and the PJM Members Committee as is practicable in such circumstances, and no such emergency filing shall be made with less than 24 hours advance notice.” Furthermore, in accordance with Tariff section 9.2 (e) “If at any time PJM intends to make a Section 205 filing to change the creditworthiness provisions of this Tariff, it shall provide no less than 30 days advance notice to, and consult with, the Transmission Owners and the PJM Members Committee. In the case of an emergency requiring immediate action, PJM shall not be required to provide 30 days advance notice but shall provide as much advance notice as is practicable in the circumstances, and in no circumstances may PJM make an emergency Section 205 filing without providing at least 24

hours advance notice to the Transmission Owners.” Advance notice will be provided to the Members Committee as well.

11.15 Manual Revisions

Implementation of the resolution to certain issues considered through the stakeholder process will entail revisions to PJM Manuals. Operating Agreement section 10.4.iii states that PJM is “responsible to prepare, maintain, update and disseminate the PJM Manuals”. It has been PJM’s practice to bring revisions to the Manuals through the stakeholder process for endorsement of revisions, but PJM retains the right and responsibility to make changes to the Manuals as necessary, should stakeholder endorsement not be attainable. Manual revisions should be prepared along with the draft governing document revisions associated with the resolution for issues under consideration in the stakeholder process. The Markets and Reliability Committee provides final endorsement for all Manuals, with the exception of:

- Manual 15 – Cost Development – this Manual requires Board of Managers approval in accordance with Operating Agreement Schedule 2. Members Committee endorsement of this manual will be sought, but is not required.
- Manual 34 – PJM Stakeholder Process – this Manual is approved by the Members Committee

All PJM Manuals are reviewed for content and consistency on a regular basis. See Appendix VI for the schedule of Manual reviews. Some Manuals will be reviewed annually, and some on a more or less frequent basis. Any changes made as a result of the Periodic Review will be brought to the appropriate standing committee for review and endorsement before final endorsement at the appropriate senior committee.

11.15.1 Regional and Business Practices Revisions

PJM will seek endorsement from the MIC and MRC for revisions to the PJM Regional Practices Document and Business Practices Documents associated with merchant facilities. Because of the independence required in the administration of the Tariff, PJM can decide to implement the rule changes even if the committees fail to provide such endorsement. Additionally, if FERC, NAESB or NERC impose a requirement for a rule or process change, PJM can make this change to ensure compliance with such a directive without seeking endorsement. For clarifying changes where there is no impact to the Transmission Customer, review and endorsement is not required.

11.16 Chair’s Prerogative

The Chair is encouraged to expedite the timing and steps of the process when able to do so without objection and provided the issue has been covered sufficiently. The Chair may end discussion of a specific topic if the Chair believes discussion is repetitive or stalemated. The Chair may, at the Chair’s sole discretion, alter the order of the agenda and/or call a temporary recess at any time during a meeting.

11.17 Consensus Based Issue Resolution Process (CBIR) Implementation Forum

To ensure continued successful implementation of the provisions of this Manual, develop a partnering arrangement between Members and PJM for successful CBIR implementation, and provide support by Members to PJM on CBIR implementation, the following structure has been implemented:

CBIR Member Forum

- Opportunity to raise concerns, suggest improvements in implementation, and potential modifications to Manual-34
- Meets twice a year or as necessary
- Convened by MC Chair, Vice-Chair, and Secretary and open to all stakeholders and PJM
- Coordinated with existing meetings
- Reports to the MC. Any significant stakeholder process changes suggested through the Forum must be brought to the MC for review, disposition, and subsequent approval

CBIR Forum Subgroup Monthly Check-in

- Provides regular feedback, support, and advice
- PJM Staff Champion leads
- One participant from each sector designated with help of Sector Whips
- All other stakeholders and PJM welcome to participate
- Regularly scheduled monthly (e.g., week after MC/MRC) or as necessary
- Members may bring concerns about process and suggested process improvements to these calls

Section 12: Minority Rights

In this section you will find

documentation of the various aspects of the stakeholder process in place to ensure the rights of stakeholders with viewpoints that differ from the majority of stakeholders.

12.1 Overview

The purpose of this section is to discuss the aspects of the stakeholder process in place to provide necessary protections for single Members or coalitions of Members that are minority in the sense that, for example:

- They have a unique interest due to geography, kind of business, operational context, etc., and/or
- Their views are not shared by a majority of other Members

Other portions of this Manual provide the processes to implement the specifics of these protections.

12.2 Minority Rights

Minority rights protections include the following:

- Every Member, i.e. Voting, Affiliate, Ex-Officio Voting Members, and Associate Members (Associate Members may participate, but do not get to vote) in good standing regardless of size, scale, or sector, may actively participate in the stakeholder process at all levels from task forces, through the Standing Committees, up to the two Senior Standing Committees.⁴
- Any individual Member may raise an issue, idea, or proposal at any level of the stakeholder process at least once, and can expect that their concern will at least be given time on a meeting agenda, including the at the Members Committee.
- The Member support threshold for moving an issue up from a Task Force to a Standing Committee is lower than the Members Committee level voting threshold (two-thirds majority sector-weighted voting) and also practically lower than the Standing Committee threshold (simple majority). This means that virtually all proposals will be included in a comparative report up from the task force up to the Standing Committees.
- Even if issues do not meet the minimum threshold of Member support at a Task Force or Subcommittee, a Member or group of Members may still bring their proposal, or a sub-option to an overall proposal, to the Standing Committee (although it would not be included in the body of the report up from the Task Force or Subcommittee).
- Members' interests and concerns will be incorporated in the evaluation developed by the Task Force or Subcommittee to compare and contrast various proposals and options. Such interests might include distributive or allocative effects (costs, risks, burden, etc.) on various sectors or sub-sectors.

⁴ Although affiliate Members cannot vote at the Senior Standing Committees

- Members who cannot actively participate due to resource constraints at any level of the stakeholder process, may participate via a proxy, either per vote or meeting, or across meetings.
 - o A representative on the roster can submit a Voter Designation Form or Proxy Vote. This would allow for an identified individual to vote on behalf of the member company submitting the form for a specific meeting. The Voter Designation forms can be found on the web pages of committees that use the Voting Application. If users are having trouble locating the form, they can submit their proxy requests by sending an email to MembershipForms@pjm.com.
- For any Member who believes a key issue or interest is not being addressed to their satisfaction, they may form a User Group if they identify at least four other Members to join them. A User Group may meet among itself, can utilize PJM assistance, and can forward proposals directly to the Members Committee and the Board of Managers as needed. Refer to Section 8.6.3 for additional information on User Groups.
- Any Member may call on PJM for assistance and feedback on any operational, market, or reliability issue, including utilizing their technical expertise. PJM shall provide, to the extent that it is practically able to, this type of assistance, but shall not offer strategic advice nor advocate solely on behalf of one Member.
- The Board of Managers retains its Federal Power Act section 206 rights before FERC if the Board determines that a Member decision is problematic, for instance, regarding imposing unfair or excessive cost or risk on a minority of PJM Members.
- Members can also go directly to the Board with their concerns and interests through [Board Communication](#) letters, discussion at Liaison Committee meetings, and filings at FERC to make sure that their views are heard. Refer to the Transparency section for more information.

Finally, it is important to note that ultimately the Members and PJM should strike the appropriate balance of protecting minority rights while running an efficient and effective stakeholder process.

Section 13: Members Annual Work Planning

In this section you will find the following information:

- **S**takeholder roles and responsibilities in developing and maintaining the annual plan;
- **T**he process for developing and amending the annual plan;
- **T**he requirements for reporting on progress against the annual plan; and
- **T**he elements of the annual plan and the criteria for categorizing elements of the annual plan.

13.1 Overview

This section details how the stakeholder process develops and updates an annual plan. The Members Committee annual plan is related to, but separate from, the PJM internal annual goals setting process and the annual budgeting process for PJM.

- The objective of the annual plan is to have a document or tool to provide all PJM stakeholders with an organized, comprehensive view of the expected work in the coming year.
- To the extent possible, it should be used to prioritize the issues considered in the stakeholder process in order to effectively focus the resources of PJM and its Members.
- The annual plan is intended to focus on coordination of markets, reliability and planning initiatives that are expected to result in proposals presented to the Members Committee for endorsement or approval in the coming year.
- Because new ideas emerge during each year and events change, the document is a living one that is updated at each Members Committee meeting.
- The annual plan is implemented and executed in the context of the provisions of sections 7.7 and 11.1 of PJM’s Operating Agreement that preclude both (1) undue influence by any Member or group of Members on the operation of PJM and (2) Member management of the business of PJM.
- **The annual plan will be reviewed at least quarterly, and should also be reviewed prior to the approval of a new Issue Charge.**
- The annual plan is adopted at a Members Committee meeting by simple majority, traditionally by acclamation, after review and discussion.

13.2 Roles and Responsibilities for Annual Work Planning

Role	Responsibilities
MC Vice Chair	<ul style="list-style-type: none"> • Work with PJM staff to compile an annual work plan • Outreach to key PJM staff and Members to gather the necessary information

Role	Responsibilities
	<ul style="list-style-type: none"> • Serve as an ex officio member of the Finance Committee to facilitate the flow of information between annual plan development and PJM's annual budget • Bring the annual plan before the Members Committee for approval • Update the plan throughout the year and inform the membership of changes at each Members Committee meeting • Raise conflicts within the annual plan or concerns about achievability of work load to the Members
PJM Standing Committee Chairs	<ul style="list-style-type: none"> • Provide detailed information on the work of each Standing Committee to help the MC Vice Chair assemble an annual plan • Develop an annual plan for his/her Stakeholder Group • Gather the necessary information from that Standing Committee's Subcommittees and Task Forces to be able to assemble an accurate and detailed annual plan
PJM Members	<ul style="list-style-type: none"> • Review compiled information in the draft annual plan • Assess the membership's practical ability to meaningfully participate in the time frame and activities proposed in the draft annual work plan

Exhibit 17: Roles and Responsibilities for Annual Work Planning

13.3 Development Process for the Plan

The annual plan development begins with the Standing Committees. In each Standing Committee, the Standing Committee chair or facilitator, along with members shall:

- **A**nnually assess whether Groups should continue to do work, change a Task Force to a Subcommittee, modify a group's Charter or Charge given its work, or end its work.
- **A**nticipate what new issues that Stakeholder Group and its Subcommittees and Task Forces may need to address in the coming year.
- **A**ssess whether the Stakeholder Group believes that the issues before them and their Task Forces or Subcommittees are likely to exceed what they can handle in the coming year. The facilitator shall work with the Stakeholder Group Members to make this assessment, including placing a formal annual review on one of its meeting agendas.
- **D**evelop a draft concise Standing Committee work plan for upcoming year. Note that the Markets and Reliability Committee is required by OA section 8.6.1(a) to develop an annual plan each year.

The Members Committee Vice Chair, with assistance from PJM staff and the Committee chairs or facilitators shall then:

- **R**review the status of all Committees, Subcommittees, and Task Forces, based on the information provided by the Committee chairs or facilitators.
- **P**repare roll up of the issues within the plan that the Stakeholder Groups and Standing Committees are still undertaking or anticipate undertaking in the coming year, along with their deliverables (and the work it will take to develop them) and deadlines. This is expected to occur generally in the June to August time frame in anticipation of the coming year's plan.
- **R**review PJM's Issues Tracking tool on PJM.com for developing the annual plan.
- **L**abel issues as either regulatory requirement, high priority of Members or PJM, or discretionary.
- **T**o greatest extent possible use the "Issue Categorization Chart" (Exhibit X) to categorize each issue against a set of criteria to determine its complexity and difficulty.
- **R**review and consider PJM's Strategic Plan in light of the annual plan.
- **I**dentify areas of potential bottlenecks, overlaps, resource constraints for MC review and prioritization, if necessary.
- **A**ssist in finalizing a draft annual plan.
- **B**ring before the Members at a Members Committee the draft annual plan for discussion, revision, as necessary, and adoption. Approval of the annual plan shall occur in November for the following year's annual plan.
- **U**update the annual plan regularly and report changes to the Members at a Members Committee meeting.

Exhibit 16 summarizes the steps in developing the Members annual plan.

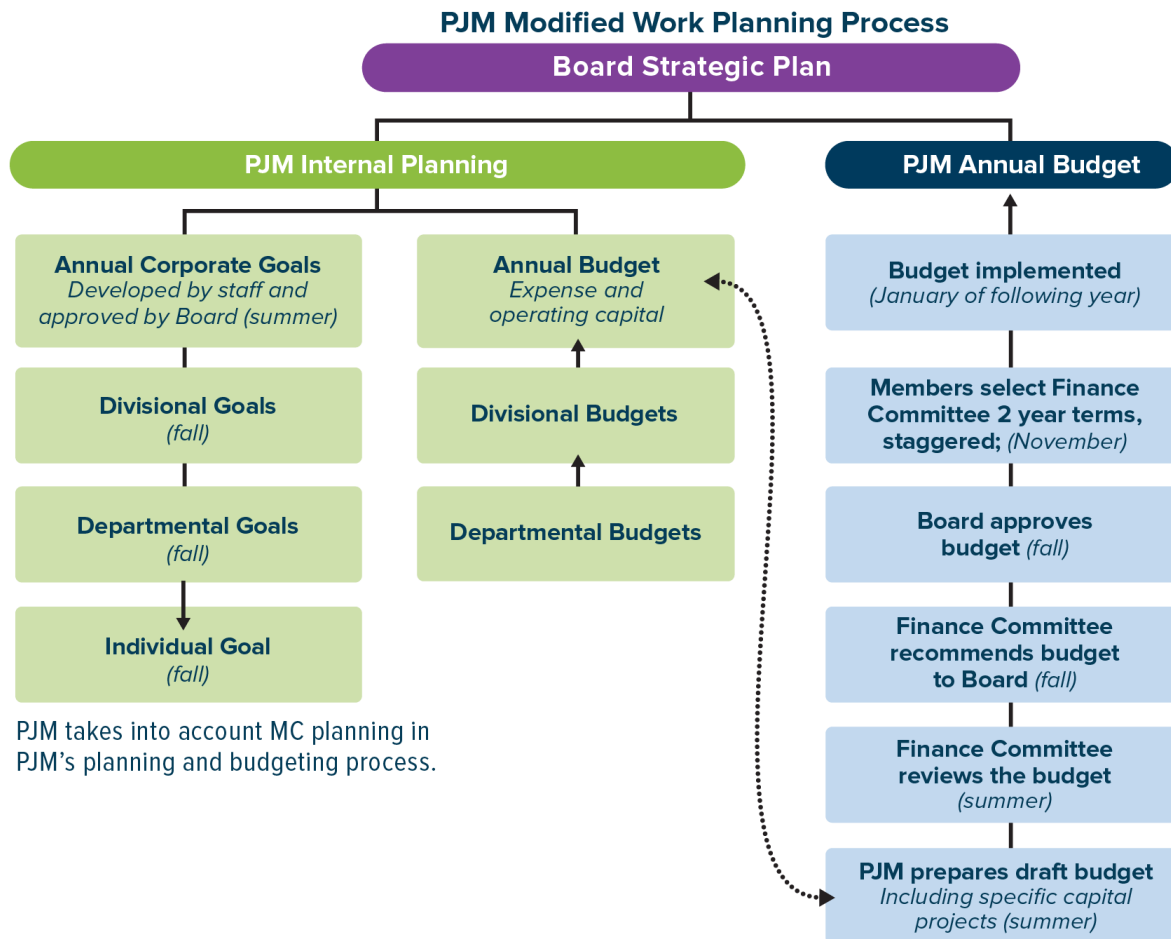


Exhibit 18: Work Planning

13.4 Status Reporting on the Annual Plan and Amendments throughout the Year

The MC Vice Chair Shall provide updates on the Members Committee annual plan to the Members Committee at each meeting of the Members Committee, and to the Finance Committee quarterly and at the Annual Meeting. These updates shall confirm which activities have been completed as originally scheduled as well as those activities that have been rescheduled, added or deleted from the original annual plan. It is the responsibility of the MC Vice Chair to bring to the attention of the Members Committee any conflicts within the annual plan or concerns about the Members available capacity to achieve the activities outlined in the annual plan.

The annual plan may be amended after initial approval. The Vice Chair and Chair of the Members Committee, supported by the Members Committee Secretary and Committee chairs or facilitators, shall communicate frequently throughout the year to incorporate appropriate changes to the annual plan after it has been initially developed and approved. The annual plan shall be updated as needed as changes or new information comes to light. The Members

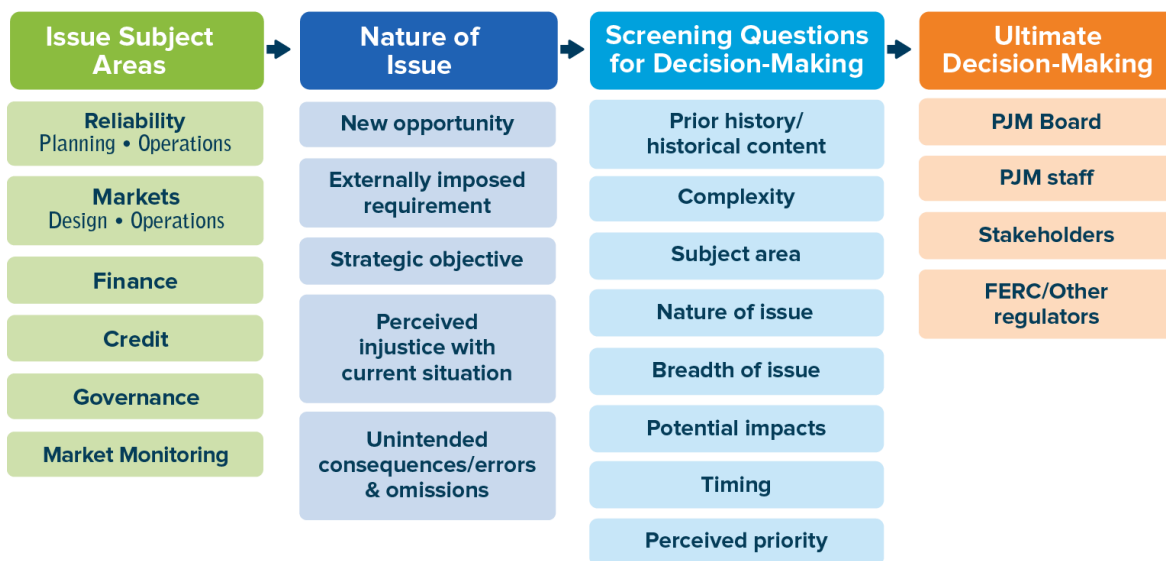
Committee shall approve by simple majority any significant or substantive changes to the annual plan to ensure full vetting about and ownership of the extent of activities and related resources needed by all to achieve the work that year.

13.5 Elements of the Plan

The annual plan, organized by Stakeholder Group and by issue shall at a minimum include:

- **T**arget meeting dates;
- **A**nticipated reports to be received at each meeting;
- **T**arget issue completion dates; and
- **D**ates and topics of proposals for which votes will be requested.

In development of the annual plan, the Members Committee Vice Chair and PJM should consider organizing and categorizing the issues and topics in the annual plan according to the following criteria as detailed in the following chart. The topical headings for each issue should include the issue topic area (as identified in the issues tracking process), the nature of the issue, screening questions, and decision-maker.



Issue Categorization

Furthermore, the Plan developers, as well as the Members, should consider the following list of questions. These represent examples of factors that may be considered in prioritizing initiatives for each Committee’s annual plan and ultimately, the Members Committee Annual Plan. This list is not intended to be all-inclusive, nor may each question be applicable to evaluating every potential topic to be considered for a committee’s annual plan.

- Is the Initiative a FERC requirement?
- Is the Initiative a NERC requirement or a NAESB commitment?

- Is the Initiative a request from or commitment made to the Organization of PJM States (OPSI)?
- Is the Initiative required to implement PJM's legal or contractual commitments directly affecting the Members (e.g. Implementation Agreements, Joint and Common Market development, etc.)?
- Has the Board of Managers referred this Initiative to the Members?
- Has the Members Committee classified the Initiative a high priority strategic industry matter (e.g. FERC Notices of Proposed Rulemakings or new policies, governance, etc.)?
- Has the Markets and Reliability Committee classified the Initiative a high priority to enable PJM to maintain the safety, adequacy, reliability, and security of the power system?
- Has the Markets and Reliability Committee classified the Initiative a high priority to enable PJM to create and operate robust, competitive, and non-discriminatory electric power markets?
- What Initiatives remain to be completed from the prior calendar?

Section 14: Sector Protocols

In this section you will find:

- **R**requirements for communication and meetings of the sectors,
- **S**sector-elected representatives, and
- **E**election of Sector Whips.

14.1 Overview

Section 8.1 of the OA provides for sectors of the Members Committee to be formed. The sectors are afforded the opportunity to elect representatives to several Stakeholder Groups, and from time to time the sectors have other opportunities and responsibilities such as providing panelists for General Sessions. To facilitate the various activities of the sectors within the stakeholder process, the following sector protocols have been established.

14.2 Communication and Meetings

PJM shall facilitate face to face sector meetings and electronic communication among the sector Members upon request of the sector.

14.3 Sector-Elected Representatives

Sectors shall be asked to elect individual sector representatives for certain Stakeholder Groups. Any sector Member may represent the sector. These representatives shall:

- **B**be able to dedicate the required time to represent the sector;
- **R**epresent and communicate the preferences of the sector while serving as a sector representative; and
- **R**ecuse themselves in situations where action is required that poses a conflict of interest for the sector representative that cannot be resolved.

If a sector's seats on representative Stakeholder Groups become vacant, the sector has an obligation to fill such vacant seats with representatives of that sector as soon as practicable. PJM shall facilitate this process by electronic ballot via the sector distribution lists if requested by the sector. Note that some individual Committees that use Sector-Elected representatives may have more details or procedures around such representation as discussed in their individual Charters.

If a sector elected representative's position or company affiliation changes, the representative shall notify PJM which shall notify the sector and allow the sector to replace the representative if deemed appropriate by the sector Members.

At times, need may arise for additional Stakeholder Groups that would be populated by sector-elected representatives. The establishment of any Committee that requires sector-elected representation shall be approved by the Members Committee and would be subject to the preceding protocols.

14.4 Sector Whips

Annually, contemporaneous with the election of the MC Vice Chair, each sector shall select, consistent with its protocols, a Sector Whip to facilitate sector communications. Responsibilities of the Sector Whip shall include:

- Coordination of actions required of the sectors (note that the Sector Whip has no extra decision-making authority over any other sector Member – i.e. the Sector Whip may not make decisions on behalf of the sector);
- Ensuring timely identifications of nominees to fill sector-elected representative roles;
- Through polling of sector Members, gather sector input to the agenda for each Liaison Committee meeting with the Board of Managers, and to gather sector input to the discussion of items on the agenda; and
- Other duties as defined by the sector.

Section 15: Information Transparency and Communication Between Board and Members

In this section you will find

the mechanisms in place to ensure information transparency and communication between the PJM Board and Members.

15.1 Overview

The purpose of this section is to discuss the measures in place in the Stakeholder Process to ensure that there is an appropriate level of transparency between the Members and the Board of Managers. For these purposes, transparency is considered to be openness in the two-way communication between the Board of Managers and the Members to ensure that the Members' views are understood by the Board, and that the Members have the opportunity to understand the basis for decisions that the Board makes relative to the core functioning of the organization as a market administrator, independent system operator and transmission planning agent. The goals of Information Transparency and Communication Between the Board and Members are:

- **I**to ensure the Board's detailed understanding of Member rationale, reasoning, and understanding in addition to voting reports from the Members' themselves;
- **I**to ensure Members' responsibility for reporting their reasoning and rationale to the Board in a clear, cogent, and detailed manner;
- **I**to increase the clarity between PJM staff and Members in their respective roles in communicating stakeholder issues to and with the Board; and
- **I**to respect the Board's independence while providing Members an improved understanding of the Board's rationale behind its decisions.

The mechanisms in place to ensure transparency include (but are not limited to):

- The Liaison Committee;
- General Sessions;
- Board Communication;
- Reporting; and
- Board Member Participation at Members Committee meetings.

Each of these is described in more detail below. In addition to these mechanisms the Board and the Members may identify and implement additional mechanisms as may be found necessary from time to time.

15.2 The Liaison Committee

To foster better communications between the Board of Managers and the Members, the Members and the Board created a Liaison Committee to:

- **E**nsure open exchanges and information sharing on topics of relevance to the Members and the Board of Managers

- **I**to promote timely and adequate communications and informed decisions by the Board of Managers
- **P**romote understanding of how the PJM Board of Managers generally considers matters that come before it as a matter of process
- **P**romote understanding of the factors that produce its decisions, without requiring disclosure of actual discussions at PJM Board meetings, and in no way attempting to compromise the Board's independence or its exercise of its business judgment.

Per sections 7.7 and 11.1 of the Operating Agreement, this process is intended to allow Member interests to be heard while avoiding:

- **U**ndue influence by any particular Member or group of Members on the operation of PJM; and/or
- Member management of the business of PJM.

The PJM Liaison Committee does not have the authority to vote on or to decide any matters or to act as a substitute for the normal stakeholder process.

15.2.1 Standard Liaison Committee

Specific operation of the standard Liaison Committee is included in the Charter of the Liaison Committee. The Charter includes the processes for determination of the Liaison Committee Membership and the agenda for each meeting with the Board. Individual Member lobbying is not permitted at Standard Liaison Committee meetings.

Information on the Enhanced Liaison Committee (ELC) can be found in section 8.6.2.

15.3 General Sessions

General Sessions are special meetings of the Members, the Board of Managers and PJM staff, and are held in an open forum. The purpose of General Sessions is to provide an open forum in which Members and the Board may explore issues in open dialogue. General Sessions are strictly informational and not decision-making meetings. Usually General Sessions are held twice per year – at the Annual Meeting and in the fourth quarter each year. The format and topics for the General Session are developed and agreed upon by the Liaison Committee and the Board of Managers. The process for this is included in the Liaison Committee Charter.

15.4 Board Communication

All stakeholders have the opportunity to provide written communication directly with the Board of Managers on issues of importance regarding subjects germane to PJM's market design or operations, reliability operations or planning. All such written communication shall be made public consistent with PJM's internal policies for handling such communications. Specific steps to be followed by Members wishing to provide written communication directly with the Board are as follows:

- Refer to the [Board Communications page](#) on the PJM website (new language, added hyperlink)

- ~~All~~ such written communication shall be addressed to the PJM Board of Managers;
- ~~All~~ such communications shall be forwarded via email to the [Members Committee Secretary](#) (added hyperlink to MC page to reference current secretary and email address);
- ~~The~~ Secretary shall ensure delivery to the Board of Managers;
- The Secretary shall ensure that the communication is posted on PJM.com on the Public Disclosure page; ~~and~~
- ~~The~~ Secretary shall provide notice to the Members of the communication and provide a link to the posted document;

These Board communication requirements apply to Transmission Expansion Advisory Committee related communications from individual Member to the Board of Managers as well.

To ensure Board communication is *read* by the Board prior to a decision on a particular issue;

- Such letters to the Board intended to inform the Board on a particular issue just prior to a Board decision should be submitted 1 week prior to that Board meeting; ~~and~~
- PJM will notify Members of each Board meeting date. Where possible, such notification will be at least 3 weeks in advance of each Board meeting;
- Nothing in this suggested timeline precludes Members from submitting letters to the Board at any time;

15.5 Reporting

There are several key types of reporting that provide documented transparency between the Members and the Board of Managers as shown below:

- Voting Reports – Following each sector-weighted vote taken by the Members Committee, a series of reports shall be created, posted on PJM.com with the materials from the appropriate meeting, and made available to the Board of Managers and the MC noticed. The format of the specific reports shall be determined by the Members and PJM staff.
- Reports of Stakeholder Process – Reports are created by the various Stakeholder Groups during the stakeholder process. These reports are posted on PJM.com.
- Member Reports – Individual Members may create reports on issues considered in the stakeholder process. Such reports shall be processed as Board communication as described in section 15.4 above.
- PJM Staff Whitepapers - Occasionally the PJM Board must address issues of significant importance to the stakeholders or independently resolve contentious issues where the stakeholders were not able to come to consensus. In those circumstances, PJM staff shall prepare a whitepaper to inform both the PJM Board and the Membership on the issue. Generally, the whitepaper would discuss the background of the issue, the stakeholder process used to vet the issue, the various proposed solutions including the solution selected by the stakeholders, characterization of stakeholder positions,

any other information that PJM staff may rely upon, and any position advocated by the PJM staff. No market sensitive data shall be included in the whitepaper, nor shall individual Member specific information be included.⁵ Such whitepapers shall serve to inform the Board and stakeholders on the matter at hand. All such whitepapers shall be posted on PJM.com on the Reports page, and the MC and the Board shall be provided notice of publication of the whitepaper. PJM and the Members shall use good judgment and common sense on determining whether an issue rises to the level requiring a whitepaper.

- Committee Reporting – some committees make direct reports to the Board as noted in their Charters. Such reports shall be posted on pjm.com and the Members provided notice of the posting.
- Transmission Expansion Advisory Committee (TEAC) Communication to the Board of Managers – PJM shall post the recommendations of the TEAC to the Board and the slides for the TEAC presentation on PJM.com at the same time that these documents are made available to the Board. The PJM staff recommendation concerning the Regional Transmission Expansion Plan shall also be provided in the form of a whitepaper.
- Markets & Operations Reports - to ensure consistent information for both Members and the Board; parallel markets and operations reports are regularly shared with both the Board and the Members Committee.

15.6 Board Member Participation at Members Committee Meetings

Each Member of the Board of Managers shall endeavor to attend the Annual Meeting as well as one other Stakeholder Group meeting annually.

⁵ Such whitepapers shall not disclose confidential information or actual discussions at PJM Board meetings, and shall in no way compromise the Board's independence or its exercise of its business judgment.

Appendix I: FERC Compliance Filing Protocol

PJM Receives FERC Order

- In the event that PJM receives an Order from FERC including compliance directives, PJM is responsible for filing a response to such directives within the designated timeframe as specified in the Order. The response development shall be in accordance with the Compliance Filing Protocol documented within this Appendix.
- PJM determines if the compliance directive calls for a material modification of PJM rules and the outcome has not been directed with specificity, such as when the Order leaves open one or more substantively different options to meet the compliance directive. Materiality and substance, for this purpose, involves determining whether the compliance filing implicates significant rights or obligations of the Membership as a whole or a defined class of Members, for example establishing a methodology to allocate costs among classes of market participants. Further, PJM shall consider the time allowed by the compliance directive in determining whether to recommend a stakeholder process. PJM shall also consider recommending an expedited stakeholder process or requesting of the FERC an extension to the time allowed for responding to the compliance directive.
- Within five days of receipt of the Order, PJM shall notify Members electronically using the MC email distribution list of the FERC Order and associated compliance directive. The notice shall provide a short description of the Order. The notice shall include PJM's recommendation, based on the considerations set forth above, whether or not a stakeholder process is warranted. In the event that FERC has encouraged or that PJM determines that a stakeholder process should be used, PJM shall so notify the Members, and initiate the process without the need for a ballot as described below. In the event that PJM does not recommend a stakeholder process be implemented, any Member disagreeing with this determination may communicate that position (including rationale) to the Secretary of the Members Committee for PJM's consideration. If requested by the Member raising the concern, the Secretary shall distribute any such communication to the MC email distribution list
- Where PJM recommends a stakeholder process the notice shall also contain:
 - o A PJM-recommended stakeholder process including dates/timeline;
 - o A ballot – Members vote to undertake the stakeholder process defined by PJM, or alternatively vote that no process is needed; and
 - o A date by which the ballots are to be submitted.
- In proposing a process, PJM shall consider the complexity of the issue and the time afforded by the Commission to make the filing. The process:
 - o may designate an appropriate stakeholder group and/or a MRC or MC vote;
 - o shall allow Members to prepare majority and minority position statements;
 - o shall specify a voting mechanism (straw vote; sector vote); and
 - o all Members shall be invited to participate
 - o should use as much of the Consensus Based Issue Resolution (CBIR) process (as defined in sections 7 and 8 of this Manual) as the timing will allow and

commensurate to the level of discretion afforded PJM by the FERC in its compliance directive.

- In order for the ballot to have authority to bind both PJM and the Membership to a process, at least 10% of the then current voting Members in good standing shall have responded to the stakeholder process inquiry. Of those that respond, a simple majority shall determine whether or not to undertake a process. Notice to Members of the results of the ballot regarding a stakeholder process – sent within 1 day following results of vote.
- PJM shall make its compliance filing after receiving timely results from the stakeholder process. PJM's filing shall note whether a stakeholder process was used and describe the issues discussed. In any case where a stakeholder process is used and results in a 2/3 or greater sector weighted outcome, if PJM elects not to follow this outcome PJM's filing transmittal shall explain PJM's reasons for deviating from the stakeholder outcome and also shall attach and reference any Member-prepared majority and minority position statement(s). Where a stakeholder process is used that does not result in the requisite 2/3 or greater sector weighted outcome, and if the Membership agree by general acclamation, PJM's filing transmittal shall include any and all Member-prepared position statements. For purposes of this paragraph, any position statement prepared by a group of Members shall be short, factual and explanatory and not advocacy pieces. Within 3 days of the final stakeholder process vote on the issue, PJM shall notify the Members of the contents of its intended filing.
- Notwithstanding any other provision of this proposal, nothing herein shall be construed as waiving any rights or obligations of the Members or PJM set forth in the OA.

Appendix II: Stakeholder Process Quick Guides & Templates

The below templates have been developed to help operationalize the procedures in this Manual. Because they evolve and improve over time, they are not included directly in this Manual, but may be found on pjm.com.

- [Problem Statement](#)
- [Issue Change](#)
- [Charter](#)
- [Agenda & Minutes](#)
- [Work Plan](#)
- [Options and Packages Matrix](#)
- [Monthly Process Report](#)
- [Final Proposal Report](#)
- [Facilitation Feedback Form](#)

Appendix III: Process Charts

Process flow for consideration of an issue in the stakeholder process. This diagram is not intended to provide all of the detailed requirements of the process.

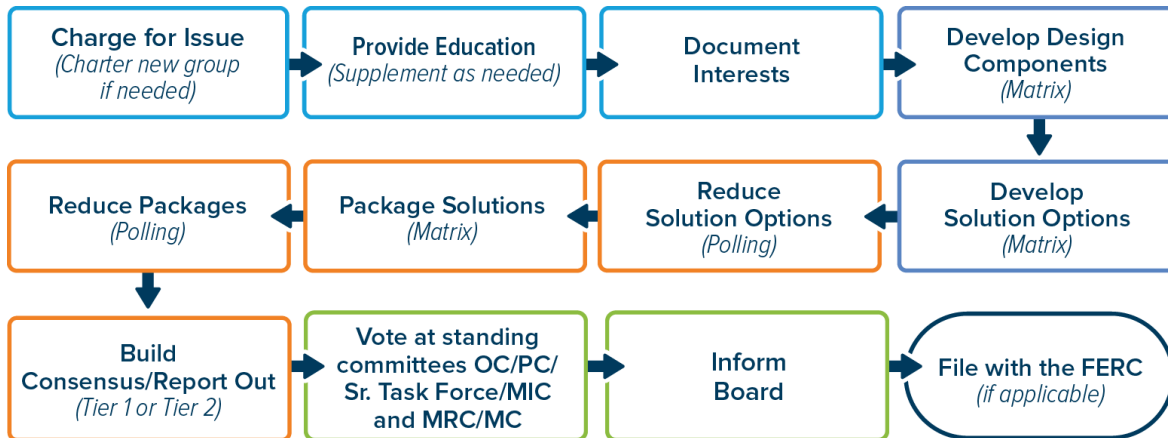


Exhibit 19: Stakeholder Process Summarized

A more detailed flowchart is provided below.

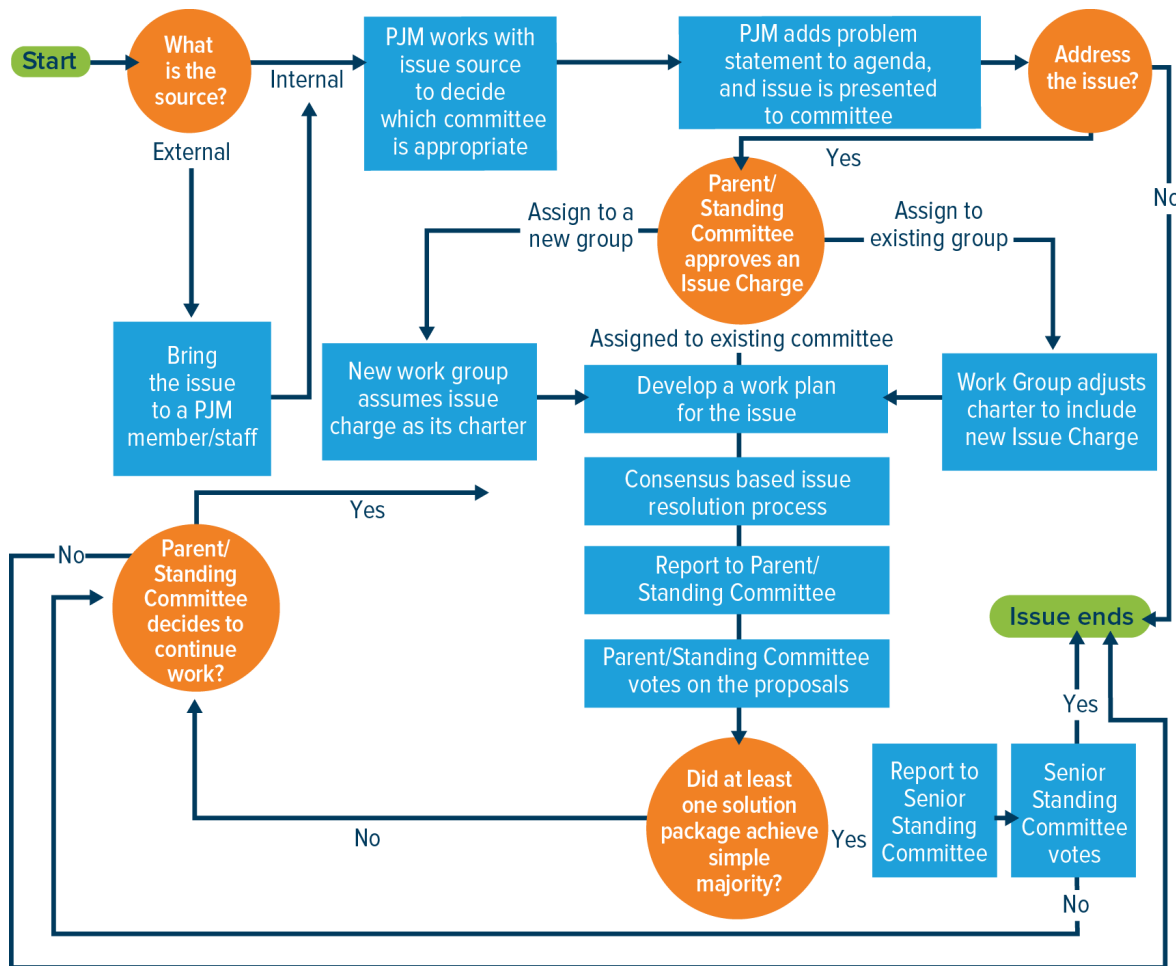


Exhibit 20: Stakeholder Process Workflow

The following chart summarizes the various decision-making methods and their details at the different Stakeholder Groups throughout the PJM stakeholder process.

	Stakeholder Group	Who Can Vote*	Decision-making Methodology	Threshold for Endorsement (Passing)	Sector Weighted Voting?	What Moves Up to Parent Committee?
Voting	Sr. Standing Committee (MC only)	<ul style="list-style-type: none"> Voting members in good standing Ex-officio voting members 	Vote on main motion first. If that does not pass, then vote as detailed in motion voting order.	Exceed 2/3**	Yes	
	Sr. Standing Committee (MRC only)	<ul style="list-style-type: none"> Voting members in good standing Ex-officio voting members 	Vote on main motion first. If that does not pass, then vote as detailed in motion voting order.	Exceed 2/3**	Yes	First Motion voted on that receives MRC endorsements is forwarded to the MC as the main motion.
	Sr. Task Force	<ul style="list-style-type: none"> Voting members and affiliates 	Strive for consensus. If no consensus, then vote on multiple options	Simple Majority	No	All proposals that receive a simple majority are forwarded on to the MRC with the proposal with the highest majority presented as the main motion. Other proposals that receive a simple majority are considered alternative motions ranked in the order of votes received.
	Lower Level Standing Committee (MIC/PC/OC)	<ul style="list-style-type: none"> Ex-officio voting members 				
Non-Voting	Sub-Committee	N/A	Strive for consensus. (Tier 1). If no consensus, produce multiple proposals (Tier 2).	Tier 1: All members can live with proposal.	No	If a consensus proposal cannot be forwarded on to parent committee, multiple proposals are narrowed down and proposals meeting the threshold are forwarded to parent committee.
	Task Force (Except Sr. Task Force)			Tier 2: At least three supporting voting members from two sectors.		

** For a limited number of issues such as Charter approvals the threshold is 1/2.
*Associate and emergency load program members may not vote at any level

Exhibit 21: Decision Making Methodology

The following chart depicts the flow of issues from lower Stakeholder Groups to upper ones, including the output of decision-making at each level.

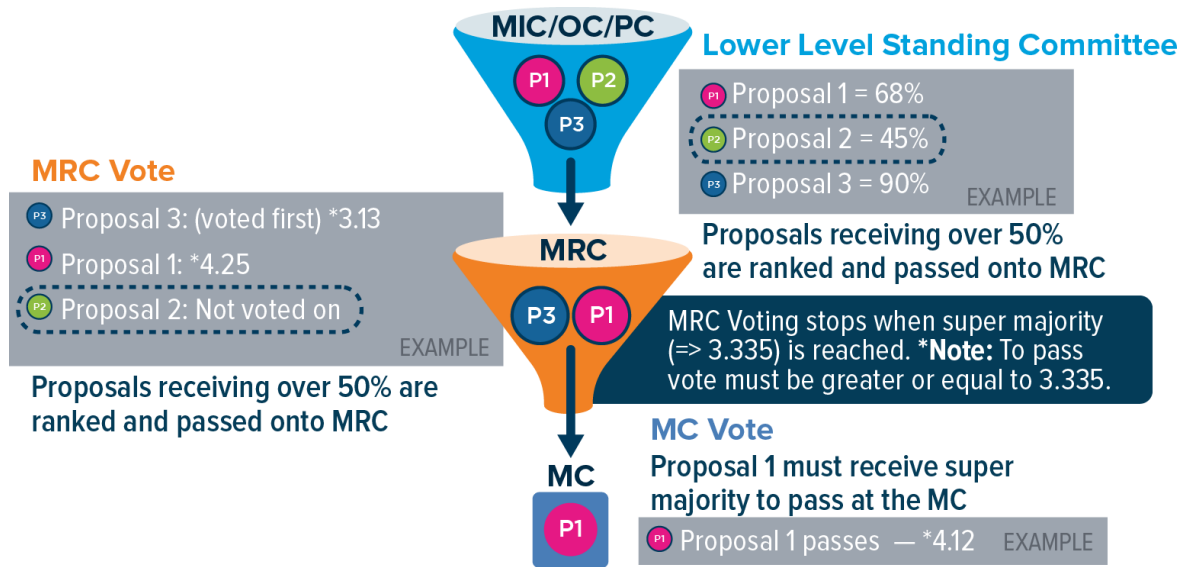


Exhibit 22: Voting Process Flow

Action Desired	How To (at PJM)	Second Required	Debatable	Amendable	Required Vote	Reference
Introduce a problem statement	Draft a problem statement, contact the Members Committee Secretary for determination of proper committee for consideration, present to committee Chair/Secretary for review, present to committee/subcommittee for consideration	No	Yes	Yes	Simple Majority	M34: 11.2
Introduce a motion	Motion to ... <ul style="list-style-type: none"> <i>This is not required if action is coming up from a lower level committee (already considered moved & seconded)</i> 	Yes	Yes	Yes	2/3	M34: 9.4
Modify a proposal (friendly)	Move “friendly” amendment or technical correction <ul style="list-style-type: none"> <i>If proposal came from lower group, any member can object to amendment being “friendly”</i> <i>If proposal came from floor, mover & seconder determine if “friendly” or not.</i> 	No	Yes	Yes	2/3	M34: 9.4, 9.5
Modify a proposal/alternate (not friendly)	If the modification was determined not to be friendly, the proposer may move proposal as an alternate motion	Yes	Yes	Yes	2/3	M34: 8.3, 8.5, 9.4, 9.5
	A proposal that received greater than 50 percent support at a lower committee (but was not the proposal with the highest support) will be considered as an alternate proposal and is not required to be moved or seconded at the Sr. Standing Committee	No	Yes	Yes	2/3	
Defer an issue	Motion to “Postpone” (puts off motion to a specific time)	Yes	No	No	2/3	M34: 9.8

Action Desired	How To (at PJM)	Second Required	Debatable	Amendable	Required Vote	Reference
	Motion to “Postpone Indefinitely” (kills the motion)	Yes	Yes	Yes	2/3	
Reverse the decision of the chair	Move to “appeal the decision of the chair”	Yes	Yes	No	Simple Majority	
Take action contrary to standing rules	Move “to suspend the rules”	Yes	No	No	2/3	
End debate & move directly to vote	Move “previous question”	No	Yes	No	2/3	
Expedite activities (chair/facilitator only)	Chair’s prerogative	No	No	No	N/A	M34: 9.10, 11.15
Voting	<ul style="list-style-type: none"> • MRC & MC – vote on main motion (as modified by friendly amendment). <ul style="list-style-type: none"> ◦ <i>If it passes, stop; if fails, vote on 1st alternate. If it passes, stop.</i> • OC, MIC, PC – vote on all proposals equally 	–	–	–	–	M34: 9.7, Appendix III
Motion to reconsider	<p>Motion to Reconsider a prior decision of the committee</p> <ul style="list-style-type: none"> • Must be moved by a member voting with the prevailing side if previously passed or with the opposing side if previously failed, or did not vote 	Yes	Yes	No	2/3	M34: 9.7

Exhibit 23: Robert’s Rules Guide

Appendix IV: Facilitation Tool Box

This section lays out a wide range of options for developing proposals and narrowing differences. With any given group or at any particular juncture in a stakeholder group process, one or more of these options may best fit the situation—hence this is offered as a “tool box” for facilitators and stakeholders to draw upon as needed.

- General
 - It is recommended that an shared document, displayed on WebEx, and posted with meeting materials be used during stakeholder group meetings to capture action items, “parking lot” items, editing documents, documenting interests, developing matrices, and any other such activities where it would be beneficial for all participants to be able to view the documents being edited.
 - It is recommended that facilitators remind participants frequently of the steps in the stakeholder process, and the point at which the issue is then currently being reviewed. It may be useful to refer to the charts in Appendix III.
- Pre-Proposal Development
 - In all cases, explicitly discuss who, how and when proposals are made.
 - Explicitly draw out key concerns and interests prior to any one or more parties offering up proposals for consideration.
 - Initially draw out, refine, and seek agreement on a set of design components that will guide the development of a proposal on the issue at hand. Once the components are developed, the group identifies options for each component (filling out a matrix), and then the group discusses who and how to generate proposals based on the completed matrix.
- Capturing Interests
 - Take explicit time for the participants to describe their key interests around an issue or topic.
 - Remind participants that “interests” are the reasons why they may want solution X or solution Y. If a participant makes unequivocal statements when asked to explore interest (i.e., “I cannot accept,” or “I must have.”), redirect the participant to express their concerns in interests, not positions (i.e., “I need” or “What’s important to me is.”).
 - Use a round robin (having each participant go one at a time) to state why this issue is important to them and what qualities a good outcome may include. Do this more than one round to ensure that a) everyone participates, and, 2) all interests are surfaced.
 - Interests identified are not open for negotiation and do not require approval.
- Developing Options and Packages
 - The following techniques can be used during matrix development, first in the generation of options for each component (row) of the matrix, and later for developing proposed solution packages (columns).

- o Groups
 - Invent without Committing: Set aside an explicit time for “inventing without committing.” Ask participants to toss out ideas and suggestions and record these ideas in front of the entire group in the matrix. The ground rules for this exercise include: no one is committed to supporting anything recorded at this point, including their own ideas; no one can criticize or critique another’s idea during this exercise; no idea is too crazy, foolish, or innovative at this point.
 - Break out Groups: Small groups (3 to 4) of participants (preferably of diverse views) in a break out within a meeting to develop ideas. Small groups return to report out their ideas and the full group compares and contrasts the various choices from the small break out groups. The full group might seek to synthesize and combine the ideas into a singular proposal or package.
 - Sub-Group: The group assigns a smaller group within it, of potentially diverse interests with technical support, to jointly develop one or more proposals to bring back to the group.
 - Research: Identify proposals and ideas by undertaking research (via PJM assistance or even joint Member efforts) on how the problem or issue is handled by other RTOs, states, or internationally.
 - Outside Technical Assistance: Hire a jointly-agreed upon consultant to generate options and analysis.
 - Web Survey: Via a web survey between meetings or via individual submittals in meetings, ask individuals to provide one or more options or proposals anonymously. The facilitator then organizes the options, without attribution. The group then seeks to narrow these options, if possible, and then evaluate them against interests identified earlier in the process.
- o PJM
 - Members task PJM to prepare a straw proposal after the group has vetted interests, concerns, and developed principles and options. PJM might be tasked to:
 - *Facilitate*: Develop one or more possible solutions based on the input and feedback of Members (not on the preferences of PJM – hence more facilitative);
 - *Provide Technical Assistance*: Develop a few proposals and conduct some evaluation/analysis on each (in the role of a technical advisor without necessarily strong views on one versus another approach);
 - *Advocate*: Develop a proposal that PJM feels most effectively addresses the issue or problem at hand (more as an advocate).
 - *Narrowing Differences*:
 - o Comparison Matrix: Using principles or interests developed by the group, take a set of options/choices and evaluate them in both quantitative terms (where possible)

- and qualitative terms via a matrix. Such a comparison might include pros, cons and uncertainties regarding the choices.
- o **Weighted Decision Matrix:** If a decision matrix is developed assign weights to each of the criteria overall. For instance, if you have 8 criteria, you would ask each participant to take 100 points and divide them among the criteria as individuals. You would then average these weights provided by individuals to develop a “group” weighting. Then, you would rate the various options under each criteria jointly, to the extent possible, multiply times the weights to get an overall score for each option. The few options with the highest scores would continue to be refined. The remaining options would be “screened out” for further consideration.
 - o **Straw Polling:** Use straw polling to test the views of participants at various junctures to help further focus the group and identify sticking points. Be cognizant of how to ask the question in the positive or negative. For example, “is there anyone who cannot live with the following three options to carry forward,” or “how many participants can live with the three options to carry forward.”
 - o **Nominal Group Method:** Use a nominal group method (like “dot” polling”) to test a group’s preferences on various options to help narrow the range of choices for further delineation and evaluation. One might give participants 3 to 5 “votes” for up to 20 different choices and they can concentrate them all on one strongly preferred option or across a few. One can also provide different colored “votes” or “dots” where red might represent “really don’t like it,” blue is “like it,” and “green” is “this is my most preferred option.”
 - o **Concern-Solution Mapping:** Using the original key concerns identified early in the process, map the various options or choices against those concerns to determine which appear best to meet with concerns.
 - o **Conceptual Agreement:** Begin with broader themes and conceptual approaches. Get tentative or interim agreement on broader themes before moving to greater specificity.
 - o **Web Surveys:** Utilize a web survey to identify where the participants are on a set of choices, asking for preference, concerns, and how the respondent might improve upon option X or option Y to better meet their interests. Then, analyzing the survey data, determine where there appears to emerge convergence or even consensus and where there appears to be significant differences. Using this analysis, help the group focus on difference as well as highlighting the areas where agreement is emerging.
 - o **Preference Polling:** In large groups, use polling, not to “vote” on a particular package or proposal. But rather, use it to test broad preferences, to ask people to rank choices or suboptions in some order, to consider tough tradeoffs (i.e., if you have to choose between imperfect option X or Y, which would you choose), and to test propositions to see intensity of views (rather than a “yes” or “no” vote, one might ask: on a scale of 1 to 5, where 5 is very important and 1 is unimportant, how do you view the following options or ideas or please poll on 1= love it; 2 = like it with some concerns; 3 = on the fence; 4 = don’t like it now, but might be able to support it with changes; 5 = hate it.

- *Polling Approaches*
 - o Facilitators, chairs, and members at Subcommittees, Task Forces, and Lower Level Standing Committees may use a range of polling approaches to winnow options and proposals. The results of these polling approaches might be conveyed up to higher-level committees for informational purposes but will not be used for decisional purposes.
 - o The following is a general description of kinds of polling approaches followed by a chart that details how such approaches might be linked to facilitator tools noted in the previous section of this Appendix IV.
- *Plurality Polling:*
 - o The most well-known voting approach in the U.S. is plurality voting, also known as “winner takes all” voting. This voting method has been enshrined in Robert’s Rules of Order, a 19th Century text that serves as the template for the voting methods and systems in private organizations, associations, and public legislative bodies across the U.S. and elsewhere. In plurality voting, no matter how many choices or options may be on a ballot, the voter marks one, and only one, preference. The candidate or option with the most votes wins.
- *Approval Polling:*
 - o This is a voting approach, different than plurality voting, that allows voters to express their preferences for as many or as few candidates or choices as they deem fit. As distinct from plurality voting, approval voting allows multiple votes in polling. Approval voting can be “winner takes all”, allowing for the selection of one candidate or choice, or approval voting can be used to select multiple options or candidates, or allow more than one option or candidate to proceed for review by another body, higher level committee, or general election.
 - Because voters are voting potentially more than once, there are two ways in which approval voting can be administered. One is by sequential voting: taking votes on one candidate or issue at a time in sequence. The other is by concurrent voting, in which all the choices or candidates are presented to the voter at once and all the votes are collected and revealed at the same time. On a practical level, the only way to conduct concurrent voting is to have a secret ballot of the choices, with each voter voting, and to then tally up the individual votes to obtain the final result. In sequential voting, votes are taken for each choice one a time in some kind of order and information about how other voters are voting is revealed after each vote. Therefore, voters may use this information strategically in later votes. Furthermore, sequential voting may also lead to strategic behavior regarding which proposals or choices get listed first, because as noted above, information about initial votes can inform behavior on later votes. In truncated, sequential approval voting (as currently practiced by both the MC and MRC) when and if an option passes a sector-weighted vote, the remaining options are not voted on.
- *Rank Order Polling:*

- o In this approach, voters express their preferences in rank-order. This is a subset of what is more generally known as preferential or preference voting. Borda voting is a specific method of rank-order voting that requires that the voter to rank the order of their choices on their ballot. If Sonya, Josh, and Willa are up for election, for instance, the voter, under Borda voting, must select his or her first, second, and third choice. Votes are tallied by providing a number of points equal to the total number of choices on the ballot. So for a rank preference of first on a three choice ballot, three points are assigned to each choice ranked first, two points to the choice ranked second, and one point to the choice ranked third. If a voter does not rank a candidate or choice, then that choice receives zero points. A modified Borda voting method seeks to penalize voters for not ranking all choices on the ballot by giving that voter only the number of points commensurate with how many votes he or she cast, so to speak or disallowing the ballot.
- *Allocative Polling:*
 - o In this approach, voters express their preferences by allocating a certain number of points or magnitudes to their preferences. For instance, each voter might be given 10 points to distribute across four choices. The voter may choose to allocate all 10 points to just one choice, or, to distribute the 10 points across all four choices before them. Such allocative voting methods allow voters to express not only how they would rank the four choices before them in order, but the magnitude or strength of their preference. When using allocative voting methods, administrators of such voting should keep in mind at least two points. First, this method can be challenging for the voter and may result in mathematical errors that could, at least on the margins, affect the substantive outcome of tallying all votes. For instance, a voter might allocate only 9 points or more than 10 points because she or he did not go back to ensure she or he allocated all 10 points. Second, the administrator must use a total number of points or score where the voter can actually reasonably discern the magnitude among their preferences. It is reasonable to expect a voter can allocate 10 points in total among four choices. However, if the total points or score allowed is 100, the voter may not be able to reasonably discern between 61 points for one choice and 39 for another versus 60 and 40 respectively. In this latter case, the total points would likely allow for “false accuracy” in results.
 - o The following chart summarizes how the voting approaches described above might be used in conjunction with facilitator tools described in this Appendix such as straw polling, nominal group method, and so forth.

Polling Approaches Voting Tools	Plurality	Approval	Rank Order	Preference/ Allocative
Straw Polling (verbal)	●	●		
Nominal Group Method (dots)			●	●
Keypad Polling	●	●	●	
Web/Paper Surveys	●	●	●	●
Weighted Decision Matrix				●

Exhibit 24: Polling and Voting Strategies

Appendix V: Consensus Based Issue Resolution (CBIR) Process Illustrative Example

This section provides an illustrative example of the CBIR process using a simple example of baking a cake. By using a simple example most people are familiar with allows the reader to concentrate on how the steps of the CBIR are applied.

Illustrative Matrix Development and Decision-making—the Cake Example

Suppose that the PJM Planning Committee decides that PJM and the Members should develop a recipe for a cake to feed its growing membership at a special event. The PJM Planning Committee then reviews a Problem Statement and votes to approve an Issue Charge; and since there is no preexisting group that handles cake recipes, establishes a new Cake Task Force (CTF).

Step 1: Problem Investigation

During this phase, the Members, with PJM's assistance, conduct joint fact finding to educate each other on a handful of issues and options related to successful cake baking. They then share their organizations' interests with respect to cake preferences, and finally, organize and consolidate the interests. All of these sub-steps are completed prior to explicating options and proposing complete solutions using a matrix shown in Step 2 below.

- Step 1A: Review the Problem Statement and Issue Charge
 - o Task Force develops a workplan consistent with the Issue Charge to address the problem statement at its first meeting.
- Step 1B: Educate and Perform Joint Fact Finding
 - o PJM and members may discuss the purpose of designing a cake at this point, the differences between cakes, pies and other desserts, what cakes have been made previously, and how other RTOs are designing their cakes. They may spend a couple of hours looking together at pictures and recipes of other cakes, and may even take a field trip to a well-known bakery.
- Step 1C: Interest Identification
 - o Go around the room and have all participants (including PJM and the IMM) describe why their organization is interested in developing a cake (or not)—what's most important to their organization and what may be of less importance. The facilitator or secretary captures each of the interests on a the "interests" tab of the matrix, visible on WebEx for those in the room and attending remotely until they have a complete list of all the participants' interests:⁶
 - Provide a fine finish to meal

⁶ The job of the facilitator is, with the group's assistance, to capture all the stated interests of all the group participants. Sometimes a participant might need assistance transforming/translating his or her statements from "positions" to "interests". Other times, participants might need help in more succinctly/accurately describing their interests. But in the end the facilitator needs to make sure, at this stage, that each participant's interest is accurately captured to that participants' satisfaction.

- Save dollars and avoid high-cost ingredients
 - Please the most guests
 - Show off good baking skills
 - Address special dietary needs
 - Want a tasty dessert
 - Avoid expensive ingredients
 - No nuts!
- o Prior to the next meeting, the facilitator then consolidates all the interests into an organized list of themes, categories, or buckets of interests. The facilitator lists the following broad cake-related interests and then leads a discussion on the consolidated list of interests—to see if the consolidation is complete and accurate, and whether there’s convergence or divergence of opinion on the relative importance of each consolidated interest.
- Tasty (fine finish to meal, a tasty dessert, show off good cooking skills, please the most guests)
 - Affordable (avoid expensive ingredients)
 - Non-allergenic (address special dietary needs)
 - Attractive (fine finish to meal, show off good cooking skills, please the most guests)
- o Following the discussion, the participants agreed that the cake should be tasty, attractive, and affordable. Members noted that there was likely to be a range of opinion across participants regarding what alternatives best meet each of these consolidated interests and that some interests might end up in conflict. For instance, the members agreed that the cakes should be as non-allergenic as possible, but that meeting this interest might be difficult when balanced against other interests, like tasty or affordable. Members noted that it might be difficult to ensure that everyone, including those few with various food sensitivities, could agree to the eventual outcome. But they did agree that since nut allergies can be deadly and triggered by the mere smell of nuts, that the final cake recipe should be nut-free.
- o There are at least two important reasons that interests are important to consider, even if the participants cannot agree on their relative importance. First, to garner the greatest support, solutions need to attempt to meet as many interests as possible. Second, the consolidated interest list can serve as a yardstick against which to judge final packages.

Step 2: Proposal Development (Using a Matrix)

The following steps explain how to use a matrix as a tool to develop jointly among members a set of proposals for consideration. The intent of the matrix tool is to provide a clear procedural approach, to allow time for brainstorming and option generation, to create a record of deliberation, to break down complex solutions into component parts that are more understandable, and then to build up component parts into package solutions explicating similarities and differences among various component parts of

possible solutions. Like any tool, it is not intended as an end in itself and it has its limits. It is best used with very thorough dialogue, technical presentations, analysis, polling and the give-and-take of negotiation to ultimately arrive at a politically-acceptable and technically-sound solution.

Options Matrix (each row contains discrete options for a particular component)

	Priorities	Status Quo	A	B	C	D	E
Design Component 1	High	SQ Component 1	Option 1A	Option 1B	Option 1C	Option 1D	Option 1E
Design Component 2	Medium/ High	SQ Component 2	Option 2A	Option 2B	Option 2C	Option 2D	
Design Component 3	Low	SQ Component 3	Option 3A	Option 3B			
Design Component 4	High	SQ Component 4	Option 4A	Option 4B	Option 4C		

Exhibit 25: CBIR Process Sample Options Matrix

- Sub-Step 2A: Components (left hand column)
 - o The participants then discussed what would be the necessary components of any cake solution that might be proposed. They all agreed, based on the educational efforts made earlier, that any cake that they could imagine would likely need a flavor, a sweetener, flour, a moistener, and a shape. These five design components were then used to populate the left hand column of the matrix. A sixth potential component regarding what type of plates to serve the cake on (proposed by one participant advocating for using recycled paper plates due to their strong commitment to the environment) was discussed by the group. The group determined that what the cake was served on was out-of-scope and decided not to include it as a component in the matrix.



Exhibit 26: CBIR Process Sample – Design Components

- Sub-Step 2B: Relative Importance (2nd column from left)
 - o The facilitator then chose to lead a discussion on the relative importance of the design components, to promote an understanding of how each participant ranked the various design components would be helpful in understanding the relative importance of the various components and finding a recipe that could potentially garner the highest level of agreement. In discussing the relative priority of each of the design components, the participants thought about their own interests and the consolidated interests that they'd already discussed and agreed that the most important component—the one that mattered the most relative to the other components—was ultimately the flavor of the cake, and that the least important component might be the shape (they could probably get an attractive cake in any shape depending on how it all comes together). The flour and the sweetener fell somewhere in the middle, so they gave them a medium priority. There was disagreement about how important the moistener would be, so the group agreed to give this a low-medium ranking to capture the range of opinion.

Relative Importance	
Flour	Medium
Sweetner	Medium
Shape	Low
Flavor	High
Moistener	Low/Medium

Exhibit 27: CBIR Process Sample – Design Components and Relative Importance

- Sub-Step 2C: Options for Each Component (filling out the rows)
 - o The facilitator then went row by row, and asked the group to list potential options for each particular component that it could envision being part of a cake that met the interests and priorities previously discussed. They ended up with 4 different options for flour and flavor, and 3 different options for sweetener, moistener, and shape.
- Sub-Step 2D: Winnowing Options (potentially using polling)
 - o The facilitator did some polling of the participants between meetings—asking them first, to provide their top choice in each row, as well as which options could be acceptable as a component of the ultimate cake, and which were not acceptable.
- When the facilitator and then the participants reviewed the polling information, they discovered that rye flour and almond flavor weren't any organization's first choice, and generally had much lower acceptability than the other options—so the Task Force agreed to drop them both from further consideration.

	Relative Importance	A	B	C	D
Flour	Medium	White	Whole Wheat	Gluten-Free	Rye
Sweetner	Medium	White Sugar	Brown Sugar	Honey	
Shape	Low	Flat	Round	Bundt	
Flavor	High	Vanilla	Chocolate	Strawberry	Almond
Moistener	Low/Medium	Oil	Butter	Sour Cream	

Exhibit 28: CBIR Process Sample – Winnowing Options

	Relative Importance	A	B	C	
Flour	Medium	White	Whole Wheat	Gluten-Free	
Sweetner	Medium	White Sugar	Brown Sugar	Honey	
Shape	Low	Flat	Round	Bundt	
Flavor	High	Vanilla	Chocolate	Strawberry	
Moistener	Low/Medium	Oil	Butter	Sour Cream	

Exhibit 29: CBIR Process Sample – Final Options Matrix

- Sub-Step 2E: Creating Packages
 - o The Task Force then discussed a variety of different ways to combine different components from each row. This discussion also considered linkages between components that either can't mix or have to go together (e.g., sour cream could not mix with whole wheat because it would simply be too dry, so, all agreed that whole wheat flour with sour cream as a moistener would not be feasible.) After much discussion about the relative merits of various combinations of ingredients and by the end of the meeting the Task Force had consolidated the various package proposal options into three very different cake designs, shown below.

	Relative Importance	Recipe 1	Recipe 2	Recipe 3
Flour	Medium	White	Gluten-Free	Whole Wheat
Sweetner	Medium	White Sugar	Honey	Brown Sugar
Shape	Low	Flat	Round	Bundt
Flavor	High	Vanilla	Strawberry	Chocolate
Moistener	Low/Medium	Butter	Sour Cream	Oil

Exhibit 30: CBIR Process Sample – Proposal Matrix

Step 3: Decision Making

The facilitator now had to help the parties decide among the recipes (packages). This involved several key steps to get from three cake design options to one or two final, preferred recipe proposals with the goal of seeking stakeholder agreement on a single preferred recipe.

- Sub-Step 3A: Comparing Recipes (Packages) to Interests:
 - o The facilitator asked the Task Force to compare the three recipes against the consolidated interests it developed prior to the matrix development. For instance, most participants agreed that Recipe #1 and #2 would be tasty, but some argued that the whole-wheat flour in Recipe #3 would make the cake heavy, dry, and less tasty. A few participants said that only #2 would meet the non-allergenic test since it was gluten-free.
- Step 3B: Winnow Recipes (Packages):
 - o The facilitator then polled the Task Force to determine which, if any, recipes were preferred by or acceptable to a large number of participants. The facilitator polled the participants in two ways: 1) rank order the recipes from first to last choice; 2) note all recipes that you find at least acceptable, if not preferred. The results indicated that recipe #1 and #3 were most acceptable (with the exception of the few gluten sensitive participants who only could accept #2) and the rank ordering didn't provide a clear winner between #1 and #3.
- Step 3C: Testing for Consensus:
 - o The facilitator, using this polling information, tested for consensus for #1 and #3 and did not achieve a clear outcome (about half and half for each with the few gluten-sensitive participants favorable only to #2).
- Step 3D: Stepping Back Briefly to Seek Alternative Recipes (Packages) (if no consensus):
 - o The facilitator then asked the Task Force to consider either different options within the recipe, perhaps the type of flour, or other components, and to consider the remaining choices against the consolidated interests identified earlier in the process. Overall, the participants agreed that all three recipes would be affordable and could

be made attractive (if implemented by a skilled baker) but many felt that Recipe #2 might not be that tasty. They all recognized (but had no solution to) the challenge of making the cake tasty, affordable and attractive while also making it non-allergenic. The facilitator asked the participants to be creative and maybe consider new options that were not identified in the matrix development process to date but could potentially garner greater support than any of the previously identified options. Several participants who favored #1 said they could support #3 if the flour was white rather than wheat and if the moistener was butter, to ensure tastiness. The gluten-sensitive participants asked the group to consider different kinds of non-allergenic flour, but few participants had a sense of what that would mean for tastiness and affordability.

- Step 3E: Final Tier 1/Tier 2 Decision Making:
 - o After much discussion of additional or alternative recipes (packages), the facilitator tested for consensus on a new Recipe #4 (which was simply Recipe #3 altered to include white rather than wheat flour and butter instead of oil). All but the three gluten-sensitive participants said they could support this proposal. A few participants said they would not want to delay the decision further, since Recipe #4 had overwhelming support, but that, for future consideration, they would support some research into different kinds of non-allergenic flour, to be ranked by tastiness and affordability. Because there was no consensus, Tier 2 Decision making required forwarding both Recipe (package) #4 (the package supported by the vast majority of the participants) and Recipe (package) #2 (supported by three gluten-sensitive participants who happened to be in two different sectors).

	Relative Importance	Recipe 1	Recipe 2	Recipe 3	Recipe 4
Flour	Medium	White	Gluten-Free	Whole Wheat	White
Sweetner	Medium	White Sugar	Honey	Brown Sugar	Brown Sugar
Shape	Low	Flat	Round	Bundt	Bundt
Flavor	High	Vanilla	Strawberry	Chocolate	Chocolate
Moistener	Low/Medium	Butter	Sour Cream	Oil	Butter

Exhibit 31: CBIR Process Sample – Proposal Matrix Selection

Step 4: Report to Planning Committee

The facilitator prepared a report on behalf of the Task Force. It included the preferred recipe of the vast majority of the participants Recipe #4 and Recipe #2, the gluten-free alternative. The report included a copy of the matrices (both component options and recipes/packages), polling results, and a brief discussion of the consolidated interests considered in reviewing the options and recipes (packages). (Also included, was a recommendation for further future research on gluten-flours—perhaps for PJM’s next cake, as well as a query about the possibility of making a few gluten-free cupcakes to go along with the chocolate cake this time around.)

Appendix VI: Manual Review Process and Schedule

All Manuals will be reviewed from cover to cover, and updates will be made as needed, not more than the periodicity stated in this table.

Manual Review Schedule

Manual	Frequency of Updates
01	1 Year
02	3 Years
03	6 Months
03A	1 Year
06	1 Year
07	2 Years
10	1 Year
11	2 Years
12	1 Year
13	1 Year
14A	3 Years
14B	2 Years
14C	2 Years
14D	1 Year
14E	3 Years
14F	2 Years
14G	3 Years
15	2 Years
18	3 Years
18B	3 Years
19	2 Years
20	2 Years
21	2 Years

Manual	Frequency of Updates
22	3 Years
27	2 Years
28	2 Years
29	2 Years
33	2 Years
34	3 Years
35	3 Years
36	1 Year
37	1 Year
38	1 Year
39	3 Years
40	1 Year

Revision History

Administrative Change (07/01/2019):

- Deleted "(old section 11.15)" from section 11.16 title

Revision 8 (05/07/2019):

- Cover to Cover Periodic Review
- Revise Revision History to update with the correct Revision 7 information
- Removed welcome language at the start of each section for brevity
 - o Section 2
 - o Section 3
 - o Section 4
 - o Section 5
 - o Section 6
 - o Section 7
 - o Section 8
 - o Section 9
 - o Section 10
 - o Section 11
 - o Section 12
 - o Section 13
 - o Section 14
 - o Section 15
- Section 1: Grammatical edits
- Section 2:
 - o removed bullet points from text
 - o corrected bullet formatting
 - o clarified definition of Standing Committees
 - o added definition of Consensus Based Issue Resolution
 - o added new definition of Consensus Based Issue Resolution Process
- Section 4.5: Replaced language on identification of speakers at PJM meetings
- Section 5.1:
 - o Added content from deleted Section 5.2.

- o Added content from retired Manual 33 regarding five sectors and one primary and three alternate representatives.
- o Added clarifying language on which committees apply
- o Added clarifying language on which committees require a first read
- o Deleted sentence regarding required number of MC-MRC meetings per year.
- Section 5.2:
 - o Deleted section: moved content to Section 5.1
 - o corrected “table and graphic” to “exhibits” for correct terminology
- Section 5.4.1:
 - o Deleted reference to “senior representatives” as irrelevant
- Section 5.5:
 - o User Groups content moved into new section 8.6.3
 - o Added new section describing “Special Sessions” designation
 - o Added new section describing “Special Meetings” designation
- Section 5.6: Renumbered as Section 5.5 to accommodate move
- Section 6: Updated and expanded topic list
- Section 6.1:
 - o Added clarifying grammatical edits
 - o Updated language to reflect current process.
- Section 6.2:
 - o Moved text from Sections 6.2. Issue Identification, Section 6.4 - Charging a New Issue, and Section 6.4.2 here.
 - o Updated topic lists for inclusion in Problem/Opportunity Statement, Issue Charge, and Charter.
 - o Added clarifying language and updated language to reflect current processes around Problem/Opportunity Statement, Issue Charge, and Charters, and new process for requiring a vote to approve only the Issue Charge, rather than the Problem Statement and Issue Charge.
 - o Added language regarding updated procedure for review of Charter.
 - o Added section heading “Work Plan” including language moved from 6.4.2.
 - o Deleted duplicative last bullet on list
 - o 6.2.3: Added clarifying language to align with new Charter creation and approval process
 - o 6.2.3: Corrected grammar for clarity

- o Deleted Exhibit 4: Issue Creation and Assignment (redundant information)
- Section 6.3:
 - o Moved text from Section 6.2 Issue Identification, and old Section 6.3.
 - o Deleted Exhibit 4: Issue Creation and Assignment as redundant with other graphics and descriptive text
- Section 6.4:
 - o Created new section heading
 - o Clarified intent of Problem Statement
 - o Moved text from Section 6.2 Issue Identification
- Section 6.5:
 - o Created new section heading
 - o Deleted sentence covered in more detail elsewhere
 - o Moved text from Section 6.2 Issue Identification
- Section 6.6:
 - o Created new section heading.
 - o Moved text from Section 6.2 Issue Identification.
 - o Corrected Problem Statement / Issue Charge reference to reflect new process.
 - o Corrected lower to upper case for titles of Chair and Secretary as defined terms
- Section 6.7:
 - o Created a new section heading.
 - o Added new language clarifying process.
 - o Moved text from sections 6.2, 6.4, 6.4.1.
 - o Changed note into a regular bullet
 - o Deleted OA 8.6.3 language as redundant
 - o Deleted "in consultation with members" as inaccurate
- Section 6.8:
 - o Created new section heading
 - o Moved text from Sections 6.3, 6.4
 - o Deleted redundant text
 - o Corrected grammar
 - o Corrected bullet alignment
- Section 6.9:

- o Created new section heading.
- o Added text from section 6.3
- Section 6.10:
 - o Created new section heading.
 - o Added text from section 6.4.3
 - o Edited language around complexity
 - o Corrected language to reflect new charging and charter processes
- Section 6.11:
 - o Created new section heading.
 - o Corrected “member” to “Stakeholder” for accuracy
 - o Added text from section 6.4.1
 - o Deleted language about reviewing Charge that does not match new process
 - o Added fourth item on list regarding inviting technical specialists
- Section 6.12:
 - o Created new section heading.
 - o Added text from section 6.5. Rewording for clarity.
- Section 7.1:
 - o Corrected “chapter” to “section”.
 - o Capitalized defined terms.
 - o Corrected “chart” to “exhibit”.
- Section 7.1.1: Moved to new section 8.6.1
- Section 7.3:
 - o Corrected typo and added clarifying language.
 - o Added introduction to exhibits.
- Section 7.4:
 - o Clarified practice of recording member participation in final report.
 - o Added subject matter expert and Facilitator as eligible representatives to present a stakeholder’s option to the Parent Committee.
- Section 8.2: Deleted extraneous language and added specific section reference.
- Section 8.3: Added clarifying language regarding status quo
- Section 8.4: Clarified voting rule application and a grammatical edit.
- Section 8.5: Deleted footnote definition of 3/2 rule and moved to Section 2: Definitions.

- Section 8.6: New section including content moved from 5.5, 7.1.1, and 15.2.2 along with new content.
- Section 8.6.6: New section on “Final Attempt at a Resolution”
- Section 9.2:
 - Changed sentence structure to help readability
 - Added MRC for clarity
 - Added note on proper treatment of a consent agenda item
- Section 9.4: Changed text to bullets for ease of reading
- Section 10.6: Edited date formatting
- Section 11.2:
 - Removed duplicate secretary reference.
 - Added clarifying “business days” to deadline.
- Section 11.5:
 - Added new “Proxy Voting Protocol” section
 - Renumbered “Decision Making” section to 11.6
- Section 11.6: Renamed to “Decision Making” (old section 11.5)
- Section 11.7:
 - Renamed to “Allowing Sufficient Opportunity for Review” (old section 11.6)
 - Clarified wording
- Section 11.8:
 - Renamed to “Antitrust Guidelines” (old section 11.7)
 - Added “or his/her designee” to The President of PJM for duty to assign Chairs to stakeholder groups.
 - Removed duplicate language.
 - Changed text to bullets for ease of reading.
- Section 11.9: Renamed to “Stakeholder Group Chairmanship” (old section 11.8)
- Section 11.10:
 - Renamed to “Committees” (old section 11.9)
 - Moved Vice Chair sector schedule up for more logical flow.
 - Indented order of election bullets.
 - Added language regarding voting by acclamation
- Section 11.11: Renamed to “Elections” (old section 11.10)
- Section 11.12: Renamed to “Speakers” (old section 11.11)

- Section 11.13: Renamed to “Sector Designation Announcement” (old section 11.12)
- Section 11.14:
 - Renamed to “Consultation with Transmission Owners and Members” (old section 11.13)
 - Reworded for clarity
- Section 11.15:
 - Renamed to “Manual Revisions” (old section 11.14)
 - Added clarifying words
- Section 11.16: Renamed to “Chairs Prerogative” (old section 11.15)
- Section 11.17: Renamed to “Consensus Based Issue Resolution Process” (CBIR) Implementation Forum (old section 11.16)
- Section 12.2:
 - Added reference to Voter Designation Form for proxy voting.
 - Added section number for User Group reference
 - Updated language from “ex parte letter” to “Board Communication letter” and adjusted grammar accordingly.
 - Added Liaison Committee to list of communication opportunities
 - Added hyperlink to Board Communication page of PJM website
- Section 13.1: Changed text to bullets for ease of reading.
- Section 13.3:
 - Added Exhibit numbers for ease of reference.
 - Corrected grammatical edits.
 - Deleted text referring to a previous version of the chart.
- Section 13.4: Corrected typo
- Section 15.1:
 - Removed duplicative bullet
 - Updated reference from “Ex Parte Communication” to “Board Communication”
- Section 15.2:
 - Added and re-organized bullets for clarity.
 - Reworded sentences for clarity.
 - Corrected typo and added reference to Appendix.
 - Shifted bullets for better formatting.
- Section 15.2.2:

- o Moved into new section 8.6
- o Updated references from “Ex parte letter” to “Board Communication”
- Section 15.4:
 - o Changed language from “Ex Parte” Communication to “Board Communication” for clarity and to address negative connotations of “ex parte”.
 - o Added hyperlink to Board Communications page on pjw.com
 - o Added clarity on communication methodology
 - o Edited to update all references of “Ex Parte” to “Board Communication” with proper grammatical context.
- Section 15.5: Updated reference from “ex parte communication” to “board communication”
- Appendix I: Added introductory paragraph. Corrected typo.
- Appendix II:
 - o Update hyperlinks for Charter and Work Plan
 - o Remove reference to Issue Tracking as this is an internal form
- Appendix III:
 - o Removed chart references to “RR” (Robert’s Rules)
 - o Standardized formatting of M34 references
 - o Added clarifying language on motion to reconsider
- Appendix IV:
 - o Changed “electronic whiteboard” to more generic “shared document” to allow for tool choice by facilitator.
 - o Changed “surfacing” to “capturing” for better understanding.
 - o Removed “Key Pad” term to account for different technology solutions
 - o Added options as polling option.
 - o Grammatical edit.
- Appendix V:
 - o Clarified approval process for Problem Statement and Issue Charge
 - o Clarified timing of steps in CBIR process.
 - o Deleted language clarifying that this is an example for brevity.
 - o Replaced “facilitator’s assistant” with “secretary”.
 - o Deleted “electronic whiteboard” and replaced with “interests tab of the matrix” for accuracy.
 - o Corrected “cooking” to “baking” for accuracy.

- o Corrected placement of bullets in Sub-Step 2D.
- o Swapped exhibits for Wining Options Matrix and Final Options Matrix for correct order.
- o Grammatical edits.
- Appendix VI:
 - o Per stakeholder approval votes, revised M14B review schedule from 1 to 2 years.
 - o Revised M34 review schedule from 2 to 3 years per Stakeholder Process Forum recommendation
 - o Revised M39 review schedule from 1 to 3 years to comply with manual.
 - o Added new manuals 14F (2 years) and 14G (3 years)

Revision 7 (05/19/2016):

- Cover to Cover Periodic Review

Revision 6 (01/22/2015):

- Added PJM Manuals update information to “About PJM Manuals” Section of Introduction
- Added Appendix VI – Manual Review Process and Schedule
- Added Roberts Rules Guide to section 9.9 and Appendix III

Revision 5 (05/15/2014):

- Revised voting methods at Standing Committees in section 8.4
- Revised Governing Document Review posting timelines in section 10.4
- Added additional notice requirements to section 11.13

Revision 4 (3/28/2013):

- Added Business Practices revision process to section 11.14.1

Revision 3 (03/01/2013):

- Added bullet at the end of Section 7.4 to address voting at subcommittees that report to a senior standing committee

Revision 2 (4/26/2012):

This revision implements enhancements to the stakeholder process identified through a lessons-learned evaluation following one year of operation of the GAST Phase IIA stakeholder process enhancements:

- Various sections – clarified and corrected for consistency certain terminology
- Section 5.2 – Added graphic
- Section 6.2 – Clarified description of Problem Statement

- Section 6.3 – Clarified initiation and approval of Problem Statement
- Section 6.4 – Clarified assign of issues to stakeholder groups
- Section 6.4.3 – Added clarifying graphic
- Sections 7.1 through 7.4 – Revised to provide additional guidance on proposal development
- Section 9.8 – Added provisions for re-voting due to difficulties placing and recording votes
- Section 11.2 – Added timing requirement for providing materials for meeting
- Section 11.5 – Added additional clarity regarding voting difficulties and transparency
- Section 11.12 – New section regarding Sector Designation Announcement
- Section 11.13 – New section regarding Consultation with Transmission Owners and Members
- Section 11.14 – New section regarding Manual Revisions
- Section 11.15 – New section regarding Chair’s Prerogative
- Section 11.16 – New section regarding Consensus Based Issue Resolution (CBIR) Implementation Forum
- Appendix I – Added use of the CBIR to the extent practicable
- Appendix IV – Clarifications in the Facilitation Tool Box
- Appendix V – New appendix with sample CBIR process

Revision 1 (09/22/2011):

This revision implements Governance Assessment Special Team Phase IIB recommendations:

- Section 5.2 – Inserted new section 5.2 on Senior Standing Committees and renumbered remainder of section 5.
- Section 6.4.3 – Added new section on Difficult Issues.
- Section 7.2.4 – Added new section related to evaluation of the implementation of the proposed solutions.
- Section 15.2 – Revised to implement the Enhanced Liaison Committee.
- Section 15.4 – Revised to address timing of ex parte letters.
- Appendix IV – Added section on polling approaches.

Revision 0 (8/12/2010):

- This is a new manual.

Stakeholder Group	SHP Manual Effective Date
Audit Advisory Committee	3/31/2011
Finance Committee	5/17/2011
Liaison Committee	10/14/2010
Market Implementation Committee	3/16/2011
Market Monitoring Unit – Advisory Committee	3/31/2011
Markets and Reliability Committee	3/23/2011
Members Committee	3/31/2011
Nominating Committee	5/20/2011
Operating Committee	12/21/2010
Planning Committee	1/6/2011
Sub Regional RTEP Committee - Mid-Atlantic	4/1/2011
Sub Regional RTEP Committee - Southern	4/1/2011
Sub Regional RTEP Committee - Western	4/1/2011
Transmission Expansion Advisory Committee	1/6/2011
Credit Subcommittee	1/26/2011
Load Analysis Subcommittee	1/31/2011
Relay Subcommittee	1/31/2011
Reliability Standards & Compliance Subcommittee	2/17/2011
Systems Information Subcommittee	2/16/2011
System Operations Subcommittee	2/9/2011
Transmission & Substation Subcommittee	1/31/2011
Black Start Service Working Group	1/31/2011
Data Management Working Group	2/16/2011
Intermittent Resources Working Group	1/24/2011
Market Settlements Working Group	1/31/2011
Regional Planning Process Working Group	12/17/2010

Stakeholder Group	SHP Manual Effective Date
Reserve Requirement Assumptions Working Group	2/17/2011
Cost Development Task Force	12/6/2010
Dispatcher Training Task Force	2/28/2011
Energy Efficiency Task Force	1/31/2011
Load Management Task Force	1/16/2011
Relay Testing Task Force	1/31/2011
System Restoration Coordinator Task Force	1/6/2011
Transaction Issues Sr. Task Force	1/12/2011

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