

# Motion to Approve Transparency Forum Charter

Markets and Reliability Committee

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# TRANSPARENCY FORUM CHARTER

## **Mission**

RTO transparency and independence are of paramount importance to PJM Members and the entities that rely upon PJM. This Forum is established to encourage an open and successful partnership between Members and PJM that is expected from a Member driven organization. To promote and improve these important characteristics the Transparency Forum will provide a centralized, open forum for review, discussion, and education. This forum will allow stakeholders to identify issues and concerns that should be explored to ensure the highest levels of transparency in PJM's operations, planning, markets, and governance and stakeholder processes.

## **Responsibilities**

- 1) Opportunity to raise concerns, suggest improvements in implementation, communication, and potential modifications to improve transparency.
- 2) Identify potential changes in PJM practices that could promote and increase transparency.
- 3) Identify potential benefits and obstacles for implementing the changes identified. Investigate and make recommendations to address obstacles to transparency and impacts of those changes.

## **Administrative Details**

- 1) The Transparency Forum shall report updates and recommendations to the Members Committee. The group will provide periodically reports on its activities to the Members Committee.
- 2) The Transparency Forum will be a non-voting forum. The forum may conduct non-binding polls where appropriate in developing recommendations to be addressed.
- 3) The Transparency Forum membership and participation are open to all stakeholders and PJM.
- 4) The Transparency Forum will be convened by the Members Committee Chair – or his designee -- with assistance as needed from the Members Committee Vice-Chair and a representative from the Office of the Interconnection acting as Secretary.

# Why Create a Transparency Forum?

- The PJM Stakeholder Process Forum has provided Members with an excellent opportunity – a release valve – to address concerns and suggest improvements to the stakeholder process.
- The Transparency Process Forum would provide Members with a similar opportunity to address matters outside of the scope of the stakeholder process forum yet equally important.
- The Transparency Process Forum will create a venue to have open discussions on matters that should be important to the PJM community (and currently take place in the back-of-the-room)

# Examples of Discussion Items

- What level of transparency should be expected from PJM, CAPS, Transmission Owners, and others?
- Does PJM have a compliance “hotline” and what should be expected.
- Establishing a formal way to request information/data from PJM and keep track of responses.
- A discussion around guidelines and (reasonable) expectations to allow stakeholders to provide input to PJM prior to PJM filing items at FERC or in state commissions.

## Does PJM have a compliance “hotline” and what should be expected...

- There was a request for further examples of items that could benefit from further discussion with stakeholders. By way of example, there are a few components of a recent compliance concern that could benefit from an open discussion by stakeholders – *one aspect* of that matter is discussed below. *As suggested, perhaps some would prefer to have these matters raised directly at the Members Committee.*
- On September 1, 2021, PJM made an “updated compliance filing” related to Designated Entity Agreements and Operating Agreement definitions and schedule 6, section 1.5.8. PJM submitted this filing to address “imprecision in PJM’s initial compliance filing has resulted in conflicting interpretations and a disagreement as to PJM’s use of the pro forma Designated Entity Agreement under its regional transmission expansion planning (“RTEP” process relative to the requirements of Order No. 1000.)”\*

\*PJM Interconnection, L.L.C. Updated Compliance Filing, Docket No. ER13-198-008, September 1, 2021.

# Questions to be addressed on the FERC filing

*Are these types of questions appropriate for stakeholders to have or for organizations to simply address via litigation at the FERC?*

- When should PJM seek Member approval (or even input) be sought by PJM before making filings at the FERC to change governing documents – without a direct request from FERC?
- When is a FERC “compliance filing” closed? (e.g. FERC Docket No. ER13-198-008 docket for many years prior to this filing.)
- Is there a line to be drawn for PJM’s authority to address/update compliance orders from FERC without Member approval (or input). For example, what type of changes could PJM make to the capacity construct or energy price formation without Member approval via a compliance update? Significant changes?

## What level of transparency should be expected from PJM, CAPS, Transmission Owners, and others?

- Some members would like to see more detail regarding the CAPS consulting expenditures and the “drivers” for the expenditures. (apparently, current presentations/explanations have not been enough.)
- Perhaps, education on the expectations would help.
  - PJM Open Access Transmission Tariff, Schedule 9 – CAPS, paragraph c, in part: “CAPS shall submit its final annual budget for the next calendar year to PJM no later than September 30<sup>th</sup>. PJM shall submit such annual budget to the Commission for information (except where such annual budget includes an increase of greater than seven and one-half percent above the budget on file for the current calendar year, in which case PJM shall submit the budget to the Commission for review and approval.”
  - CAPS has never gone over the seven and one-half percent threshold.

# Questions (and perspective) to be presented

- CAPS aims to be as transparent as reasonable with our consulting requests – I am not sure how to meet further expectations to know our “drivers”.
- Two perspectives of relevance for advocates:
  - Try to meet PJM’s transparency level on consulting matters. (PJM has been reasonable.)
  - The CAPS funding standard is similar to the Transmission Owners and the M-3 supplemental project process standard. **Transmission Owners have stated in PJM stakeholder discussions that the FERC has placed no expectations on them to respond to questions about supplemental projects or even acknowledge receipt of questions/comments.** (The FERC has ordered Transmission Owners to provide ten days for stakeholders to ask questions and provide input – without any expectations of answers or acknowledgement. While some Transmission Owners are responsive others have not been responsive.)



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