

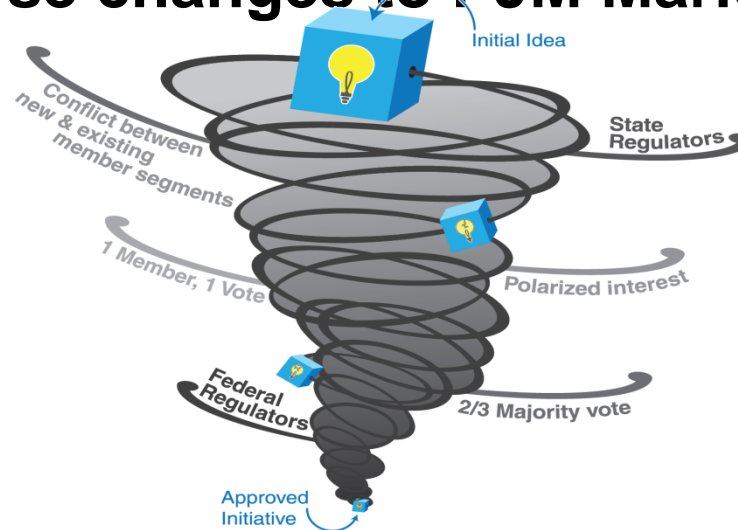


# PJM Governance & Stakeholder Process

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Director - Stakeholder Affairs  
Stakeholder Process “Super Forum”  
July 25, 2018

- **Educate** each other on issues related to PJM markets, operations, public policies and industry matters;
- **Explore solutions**, building consensus which may help policy makers approve key laws and regulations;
- **Enhance communication** among Members and between Members and PJM management

## Vet and approve / endorse changes to PJM Markets, Operations, Planning



Pre-1997

1997: Operating Agreement

2002: Chairman's Advisory Team

2004: Governance Working Group (GWG)

- Perceived power imbalance
- Sector definitions
- Did not reach a solution
- Lower Level Standing Committee Voting, Voting Reports

2005: OPSI established

2007: Liaison Committee re-created



1927 – 1996  
Operating Committee  
Management Committee

1997 - 2008

2008 - 2010  
GAST Reform

2010 - Present  
GAST Implementation



## 2008-2010: FERC Order 719, Governance Assessment Special Team (GAST)

*Phase 1:* Raab & Associates conducted independent assessment of PJM governance structure

*Phase 2A:* Consensus-Based Issue Resolution process implemented

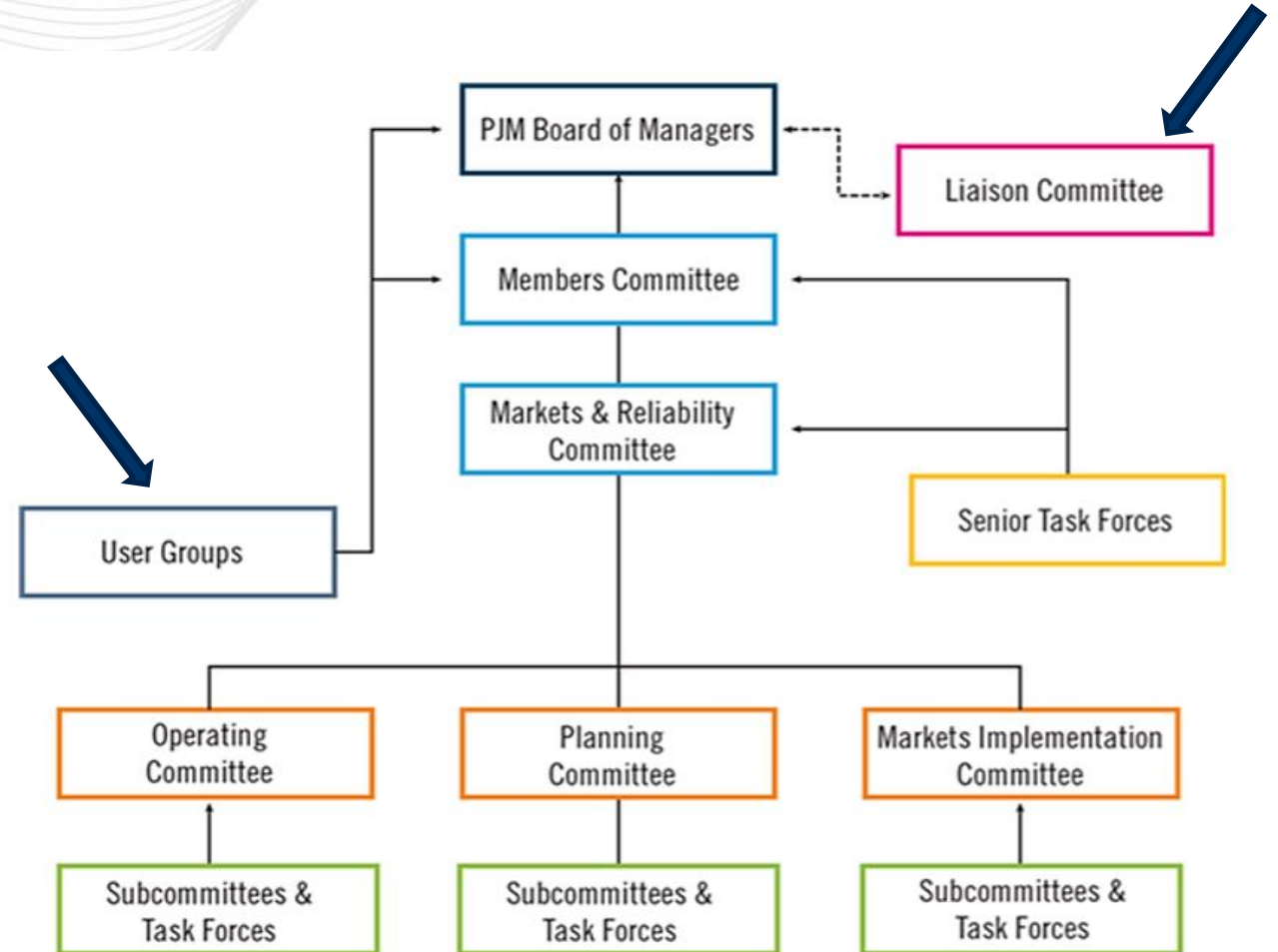
*Phase 2B:* GAST couldn't agree to address power imbalances – led to Enhanced Liaison Committee

## 2010-Present: Implementing GAST reforms

- Investment in facilitation
- Stakeholder Process Forum – continuous improvement

## Principles

- Consensus Building
- Mutual Gains Theory
- Structured Problem Solving
- Participatory development from the ground up



## PJM Matrices:

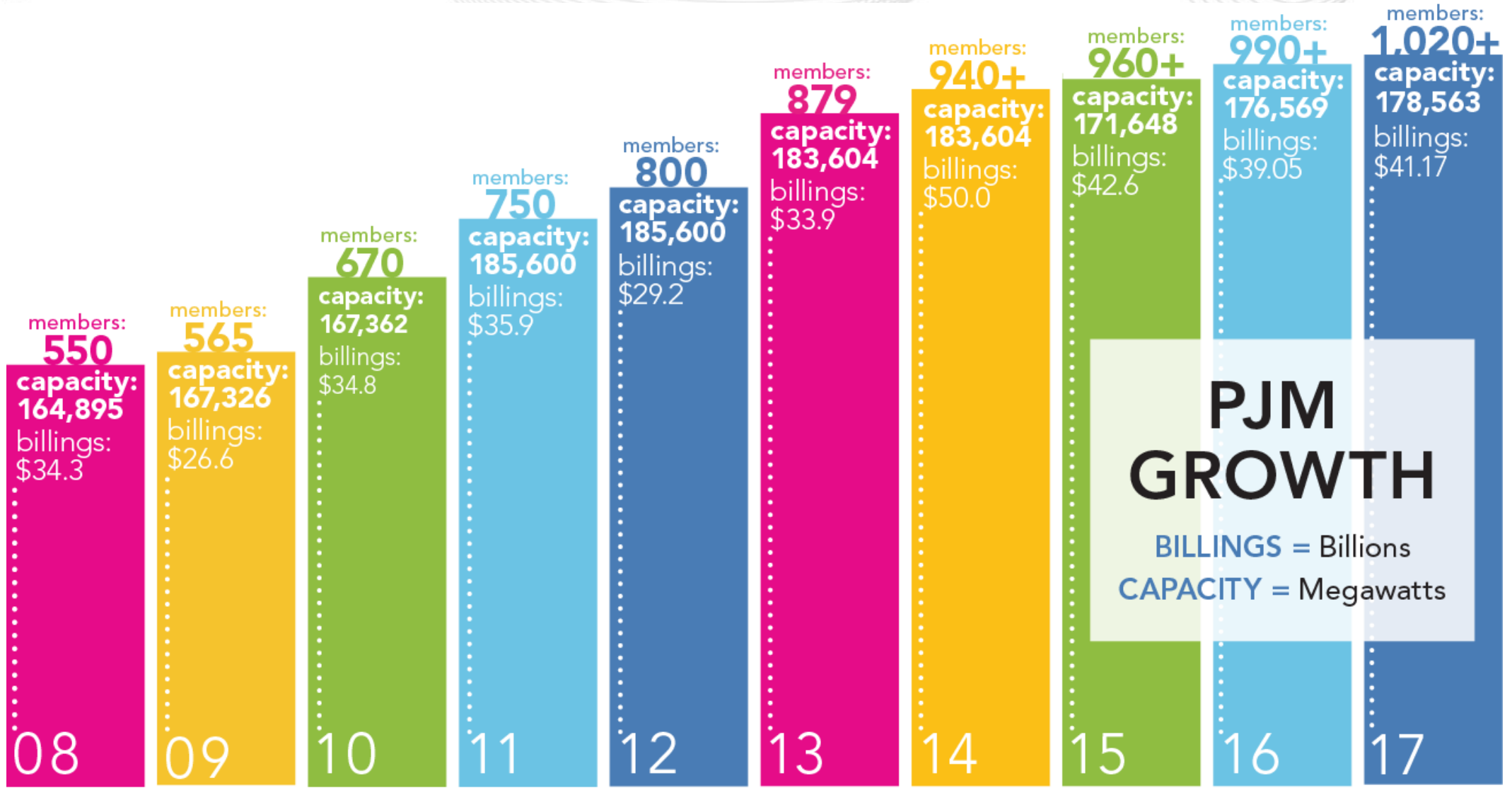
| Design Components | Priority   | A           | B           | C           |
|-------------------|------------|-------------|-------------|-------------|
| Flour             | Medium     | White       | Whole Wheat | Gluten-Free |
| Sweetener         | Medium     | White Sugar | Brown Sugar | Honey       |
| Shape             | Low        | Flat        | Round       | Bundt       |
| Flavor            | High       | Vanilla     | Chocolate   | Strawberry  |
| Moistener         | Low-Medium | Oil         | Butter      | Sour Cream  |

| Design Components | Priority   | Recipe 1    | Recipe 2    | Recipe 3    |
|-------------------|------------|-------------|-------------|-------------|
| <b>Flour</b>      | Medium     | White       | Gluten-Free | Whole Wheat |
| <b>Sweetener</b>  | Medium     | White Sugar | Honey       | Brown Sugar |
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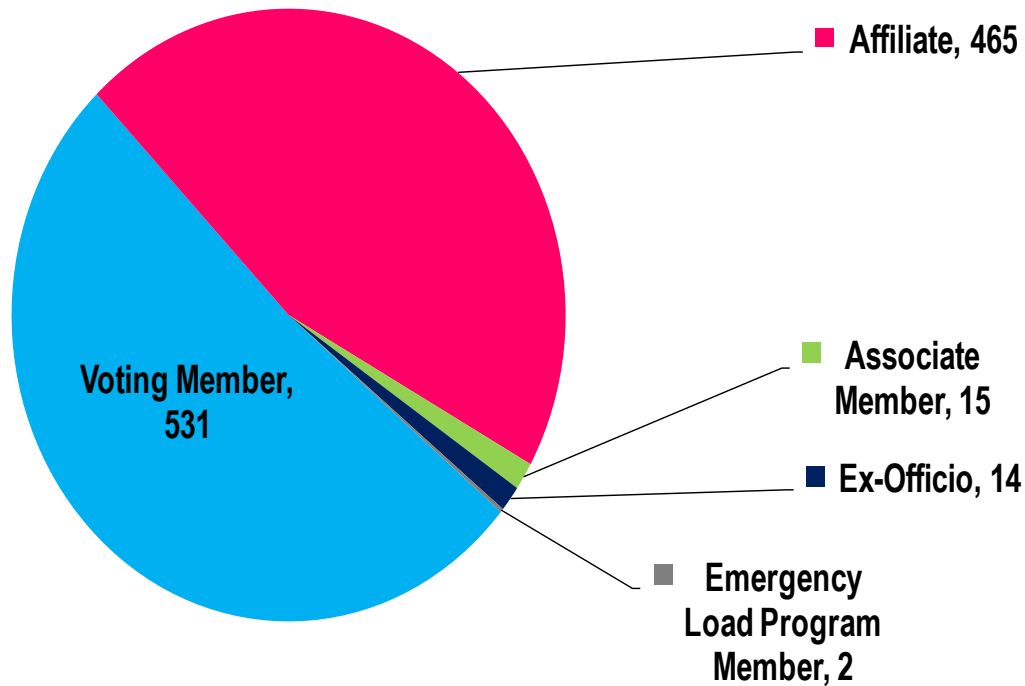
## Others:

### NOPR-Like Processes

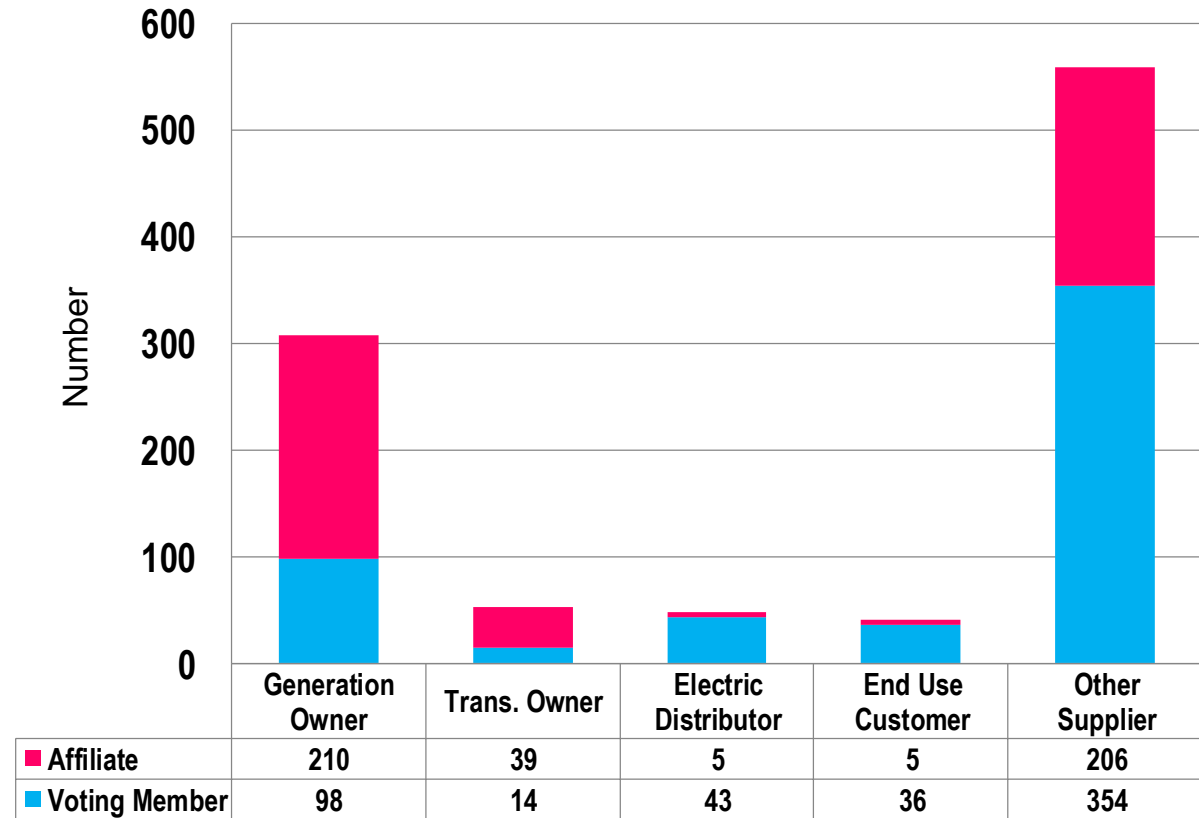
- Identify an Issue
- Develop and Present Proposal
- Receive Comments
- Iterate
- File







**Total Members = 1027**







# Sector Weighted Vote Calculation Example

| Sector                      | For                      | Against | Abstain | % in Favor (of those voting For or Against) |
|-----------------------------|--------------------------|---------|---------|---|
| Electric Distributor Sector | 8                        | 2       | 4       | 0.800                                       |
| End Use Customer Sector     | 15                       | 0       | 1       | 1.000                                       |
| Generation Owner Sector     | 10                       | 10      | 5       | 0.500                                       |
| Other Supplier Sector       | 3                        | 7       | 15      | 0.300                                       |
| Transmission Owner Sector   | 12                       | 2       | 0       | 0.857                                       |
| <b>Sum</b>                  |                          |         |         | 3.457                                       |
| <b>Threshold</b>            | .667 x 5 Sectors = 3.335 |         |         |   |

- Minority Interests:
  - Main motion / alternative motion process
  - User Groups
- Independent Board of Managers
- Enhanced Liaison Committee for critical but contentious issues
- Stakeholder Process Forum

# Appendix

## 1. Operating Agreement (OA)

Agreement among Members which established PJM Interconnection, LLC

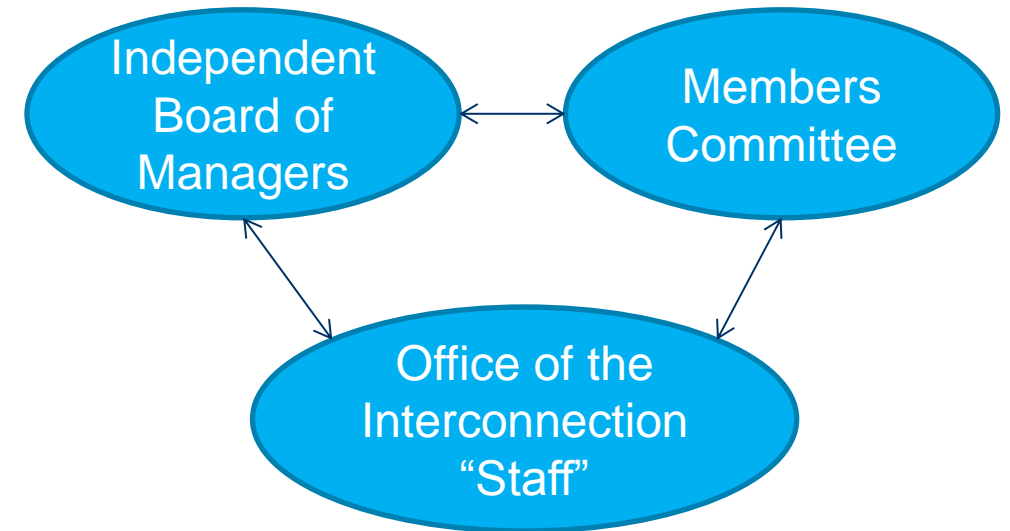
- Governance - Board of Managers, Office of the Interconnection, Members Committee
- Energy Markets, RTEP, others

## 2. Open Access Transmission Tariff (The Tariff)

- Rates & Terms of Service

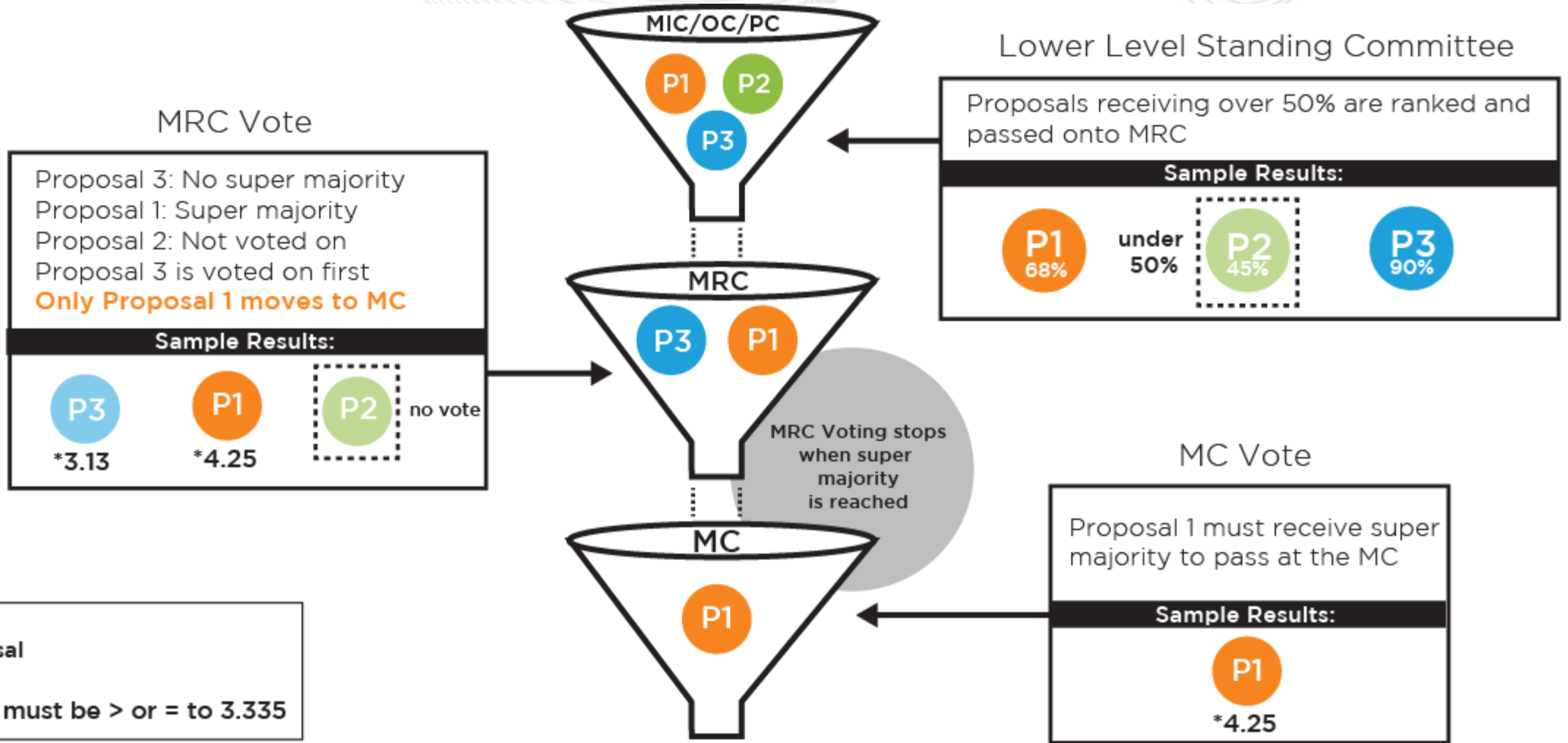
## 3. Reliability Assurance Agreement (RAA)

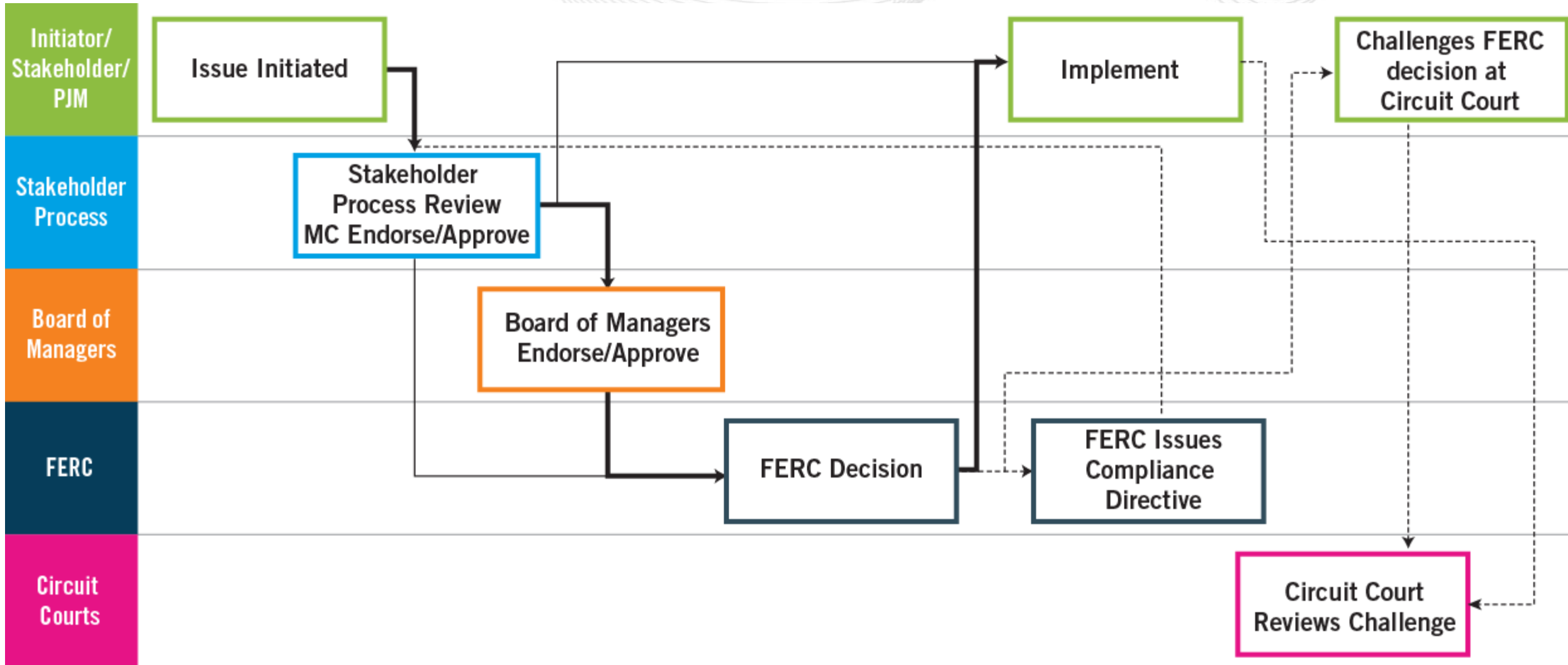
- Must be a signatory to be an LSE



|            | Stakeholder Group                           | Who Can Vote*  | Decision-making Methodology   | Threshold for Endorsement (passing)   | Sector Weighted Voting? | What moves up to Parent Committee?   |
|------------|---|--|---|---|-------------------------|--|
| Voting     | Senior Standing Committee (MRC and MC only) | Voting Members in good standing<br>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                     |  |
|            | Senior Standing Committee (MRC and MC only) | Voting Members in good standing<br>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   |
|            | Senior Task Force                           | Voting Members and Affiliates<br>Ex-Officio Voting Members   | 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)  |  |   |   |                         |  |
| 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.<br>Tier 2: At least 3 supporting Voting Members from 2 sectors. | 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 SenioR Task Force)        |  |   |   |                         |  |

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







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Home > Committees & Groups > Issue Tracking

## Issue Tracking

Issue Tracking provides a comprehensive list of all significant issues affecting PJM and its members. It also provides the ability to track a single issue across the PJM stakeholder process without searching numerous committee Web pages to monitor progress.

**Process Status Legend**

|             |             |           |         |
|-------------|-------------|-----------|---------|
| Not started | In progress | Completed | On hold |
|             |             |           |         |

View: Current Issues

Standing committee level: All Reset

| Overview  |       | Timeline             |              | Process Status             |                |
|-----------|-------|----------------------|--------------|----------------------------|----------------|
| Committee | Issue | Strategic Focus Area | Issue Status | Stakeholder Process Status | MC Annual Plan |
| All       |       | All                  | All          | All                        | All            |

**Stakeholder  
Process Calendar**

**New  
Member  
Quick  
Guide**

**Stakeholder  
Process  
Forum**

**At a Glance:  
The PJM  
Stakeholder  
Process**

**PJM  
Learning  
Center**

**Committee  
Meetings**

The screenshot shows the PJM Learning Center homepage. At the top left is the PJM logo and the text "Learning Center". On the right, there is a "Font Size: A A A" option. Below this is a navigation bar with links: "Electricity Basics", "Who is PJM?", "PJM Structure", "Three Priorities", and "Energy Innovations". The main content area features a "Welcome!" message, a paragraph stating "PJM has rewritten, redesigned and expanded the Learning Center to be more simple, clear and visual - making it your source dedicated to explaining the power industry and PJM's role.", a circular graphic with icons and the text "look. learn. share.", and another "Welcome to the new PJM Learning Center!" message. At the bottom right of this section, it says "Go back to school with the Learning Center."

The screenshot shows the "Committees & Groups" page on the PJM website. The navigation bar includes "about pj", "training", "committees & groups", "planning", "markets & operations", and "documents". The main content area is titled "Stakeholder Meetings" and includes a sub-header "Stakeholder Meetings". Below this, there is a paragraph: "Stakeholder meetings provide Members with the opportunity for communication and interaction. The purpose of stakeholder meetings is to foster collaboration, not legislation. The two types of meetings are stakeholder groups and symposiums and forums." To the right of this text is a photo of a meeting. Below the main text, there are two sections: "Stakeholder Groups" with a list of groups (eData/eDataFeed Stakeholder Group, PJM Online Tools Refresh, General Session, Inter-Regional Planning Stakeholder Advisory Committee - MISO, Inter-Regional Planning Stakeholder Advisory Committee - New York / New England) and "Symposiums and Forums" with a link to "Transmission Topology Control Workshop". On the far right, there is a "RELATED INFORMATION" section with links to "Facilitator Feedback Form", "Roster Update Form", "Industry Groups", "Stakeholder Process Quick Guides & Templates", "Manual 34: PJM Stakeholder Process", and "Committee Structure Diagram". Below that is "CONTACT INFORMATION" with phone numbers (866) 400-8980 and (610) 666-8980, a "Live chat" button, and a "Website Feedback" button.