

## 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:

- ensure open exchanges and information sharing on topics of relevance to the Members and the Board of Managers to promote timely and adequate communications and informed decisions by the Board of Managers; and
- allow Members to understand:
  - o how the PJM Board of Managers generally considers matters that come before it as a matter of process; and
  - o 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

- undue influence by any particular Member or group of Members on the operation of PJM; and
- 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.

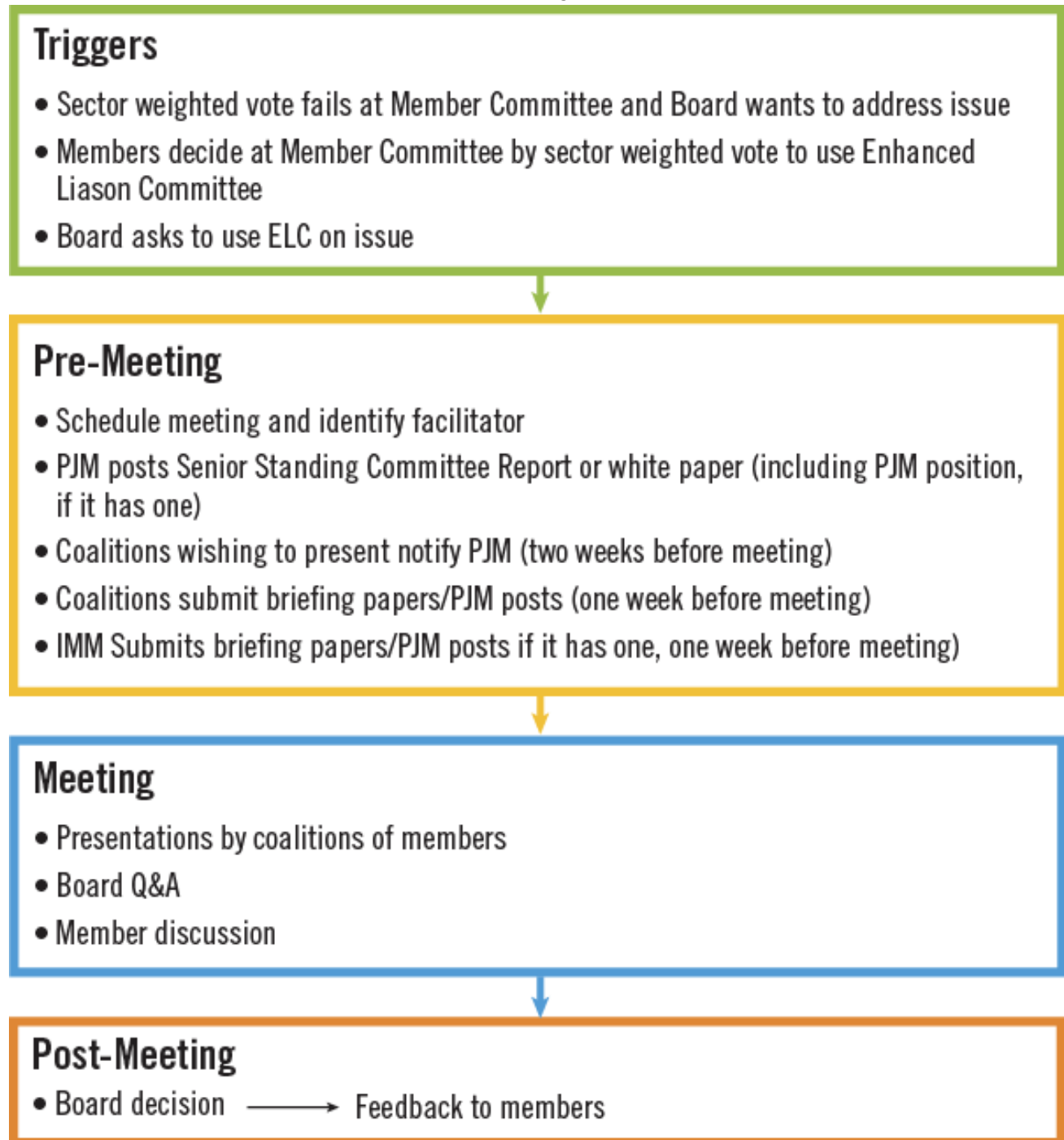
### 15.2.1 Standard Liaison Committee

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 Membership of the Liaison Committee and the agenda for each meeting with the Board. Individual Member lobbying is not permitted at Standard Liaison Committee meetings.

### 15.2.2 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 18: Enhanced Liaison Committee*

**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 ex parte 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<sup>8</sup>

### **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.<sup>5</sup>
  - 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

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<sup>5</sup> 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.

- 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

	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		●				
Member coalitions and MMU Submit/PJM posts briefing papers			●			
Board/members hold ELC meeting				●		
Board renders decision					●	
Board provides feedback to members						●

*Exhibit 19: 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 ex parte 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**

- Board Feedback to Members:
  - o After the Board has made a decision on an issue for which this process has been used, the Board ordinarily will communicate to the Members about its decision in order to facilitate understanding by Members (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.
  - o 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.

## **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 Ex Parte 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:

- all such communication shall be addressed to the Board of Managers;
- all such communications shall be forwarded to the MC Secretary;
- the Secretary shall ensure delivery to the Board of Managers;