

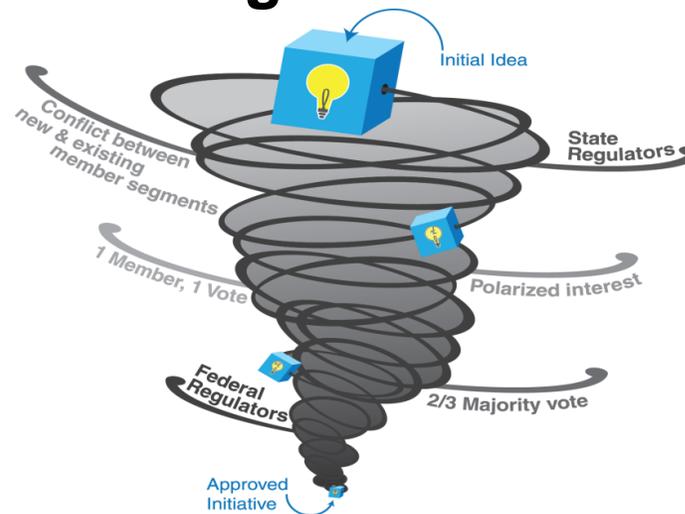


PJM Governance & Stakeholder Process

David Anders, PE
Director - Stakeholder Affairs
Stakeholder Process Super Forum
January 30, 2019

- **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

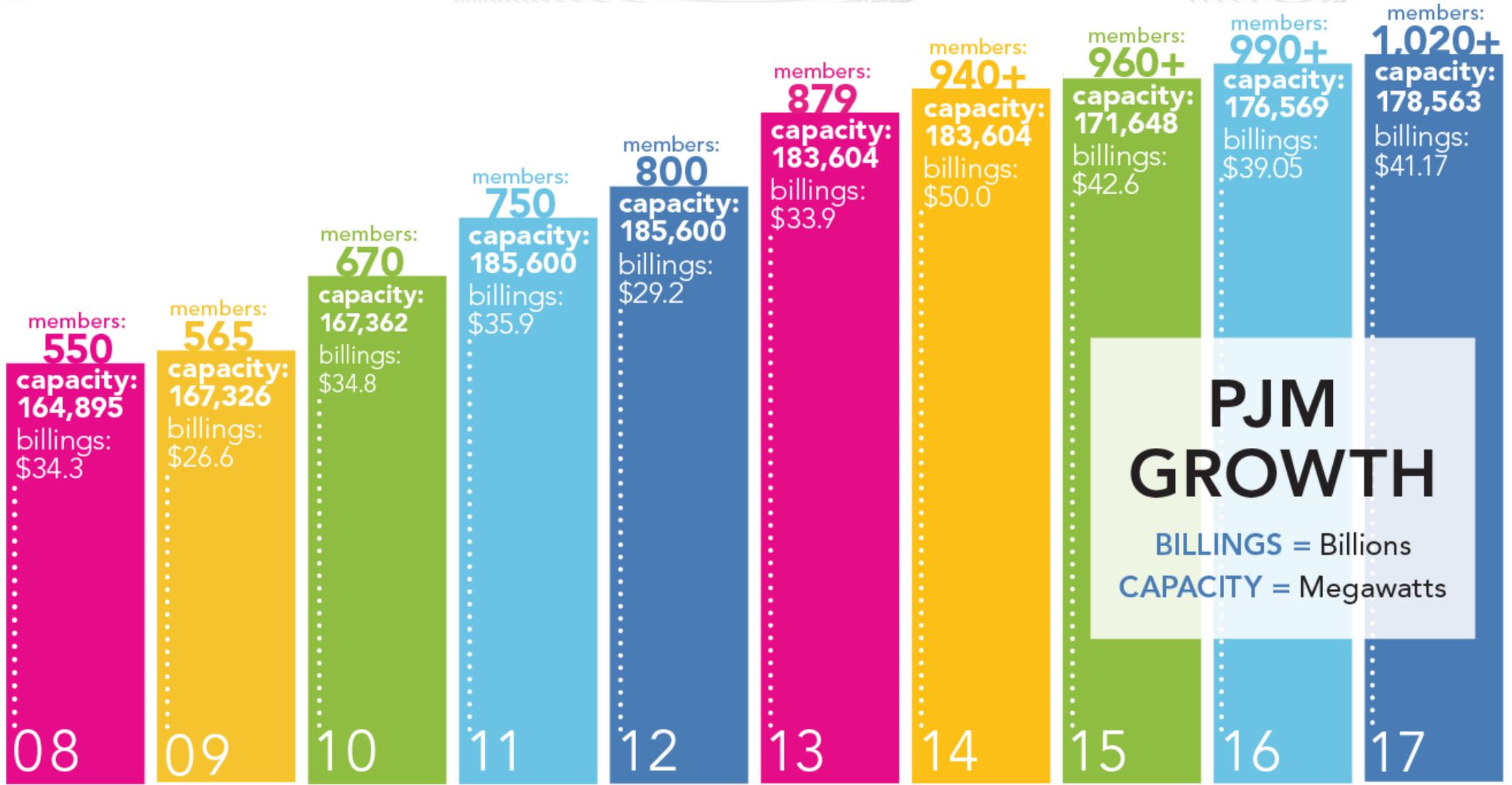
Phase 2B: GAST couldn't agree to address power imbalances – led to Enhanced Liaison Committee

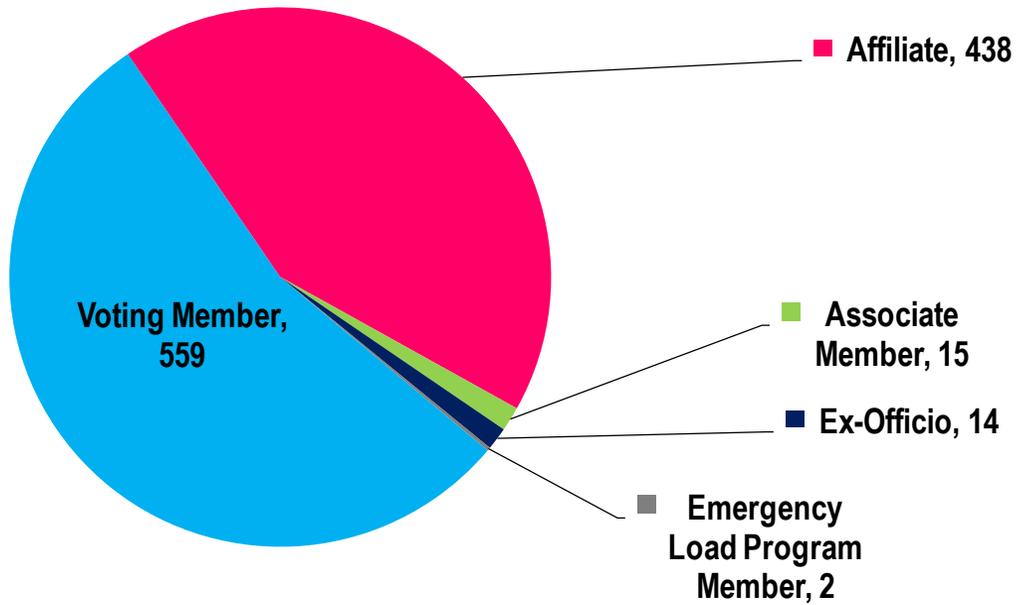
2010-Present: Implementing GAST reforms

- Investment in facilitation
- Stakeholder Process Forum – continuous improvement

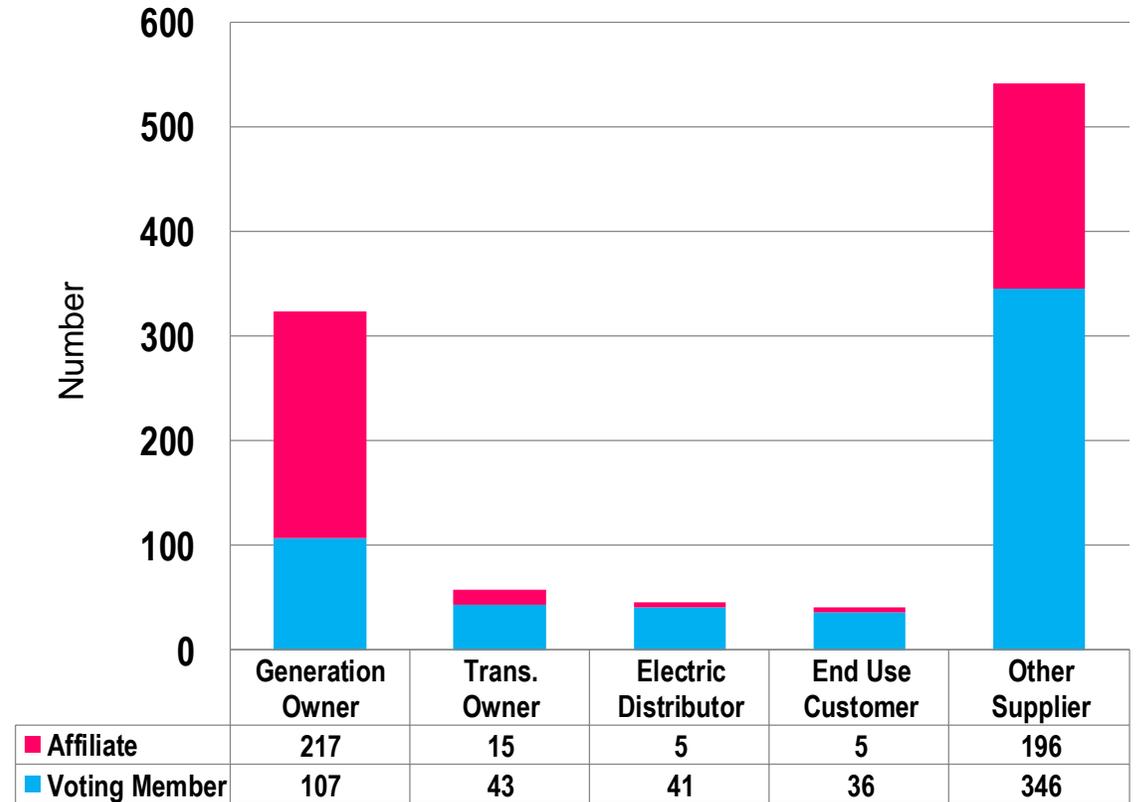


PJM Membership Growth





Total Members = 1028



Typical Member Types by Sector

Transmission Owners – members owning transmission within PJM’s footprint:

- Vertically integrated utilities
- Co-op transmission owners
- Merchant transmission owners

Generation Owners – members owning generation within PJM’s footprint:

- Generation affiliates of vertically integrated utilities
- Merchant generation owners
- End-use customers with generation and capacity exceeding load and obligation

End-Use Customers – end-users within PJM’s footprint:

- Large commercial & industrial customers
- Consumer Advocates

Electric Distributors – transmission dependent utilities:

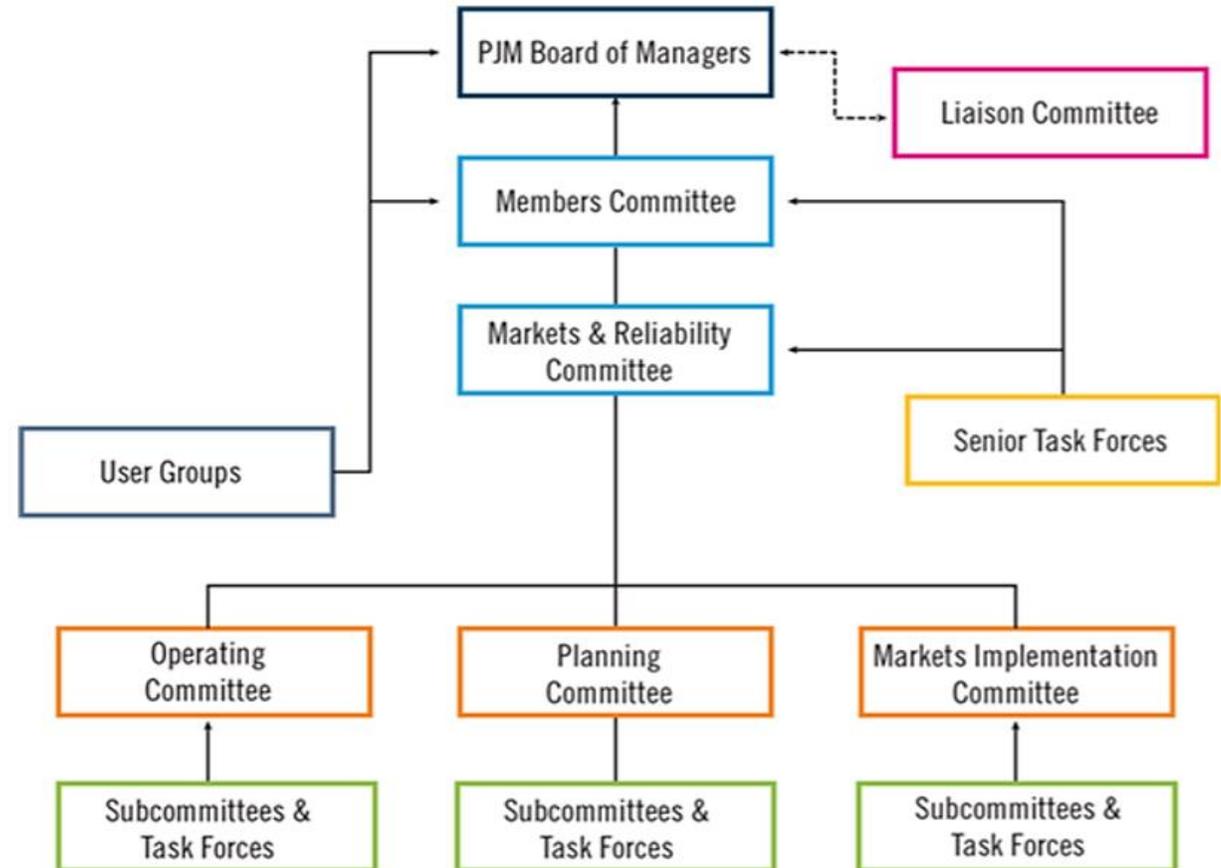
- Municipal utilities
- Co-operatives

Other Suppliers – members that do not qualify on another sector:

- Curtailment service providers
- Financial product participants
- Wholesale power marketers
- Generation owners outside PJM
- Transmission owners outside PJM
- Competitive load serving entities
- Generation or transmission developers (before projects are in service)

Principles

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



PJM:

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
Flour	Medium	White	Gluten-Free	Whole Wheat
Sweetener	Medium	White Sugar	Honey	Brown Sugar
Shape	Low	Flat	Round	Bundt
Flavor	High	Vanilla	Strawberry	Chocolate
Moistener	Low-Medium	Butter	Sour Cream	Oil

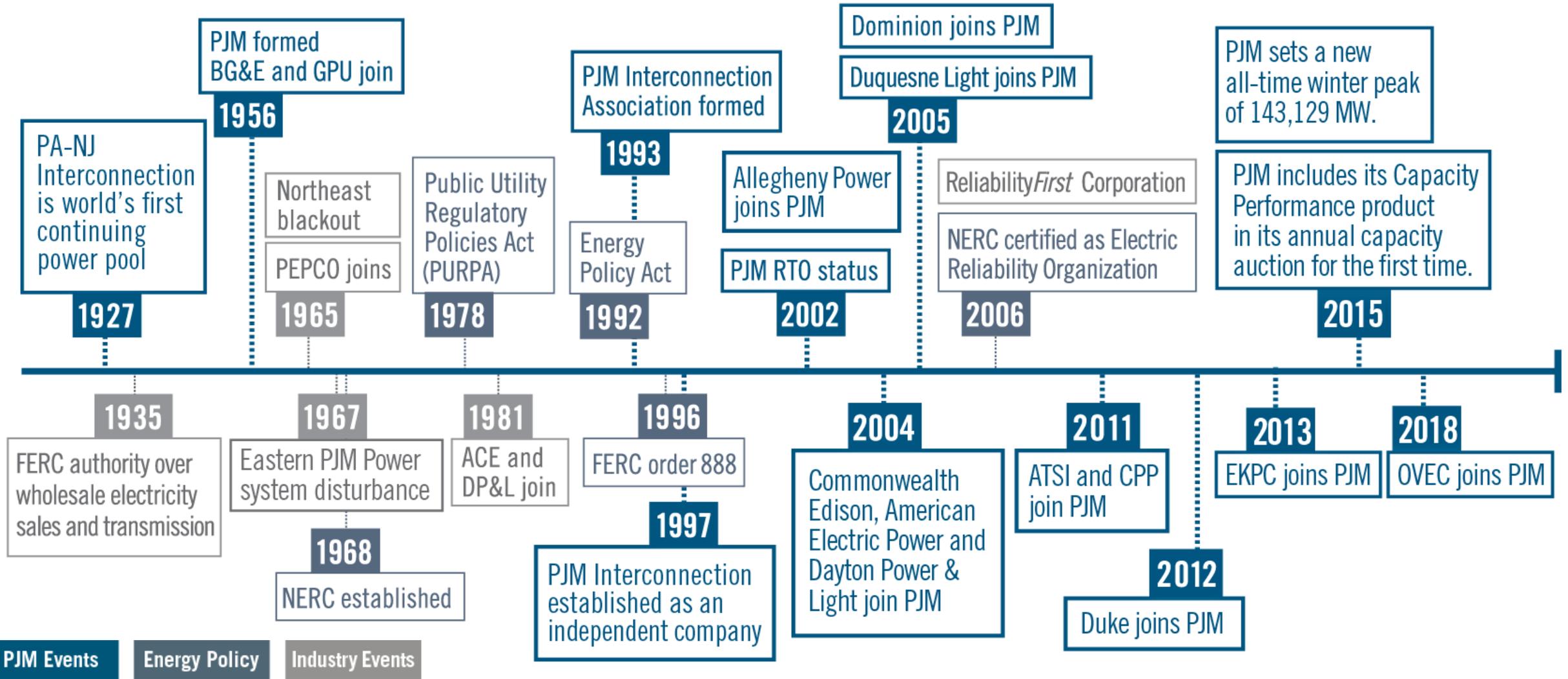
Others:

NOPR-Like Processes

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

- 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

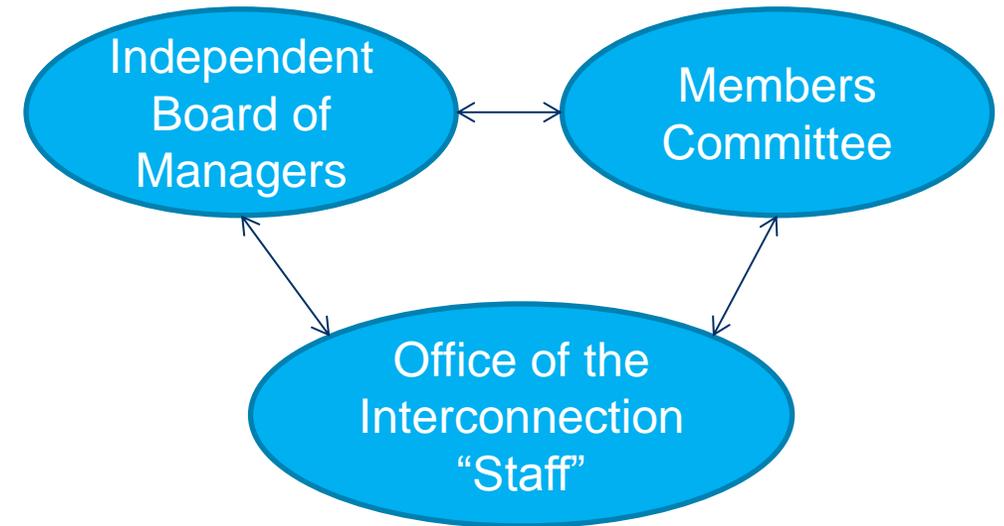
- Governance - Board of Managers, Office of the Interconnection, Members Committee
- Energy Markets, RTEP, others

2. Open Access Transmission Tariff (The Tariff)

- Rates & Terms of Service

3. Reliability Assurance Agreement (RAA)

- Must be a signatory to be an LSE



Independent Board

Members Committee

**Generation
Owners**



**Electric
Distributors**



**Transmission
Owners**



**End-Use
Customers**



**Other
Suppliers**



	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 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 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 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. 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)					

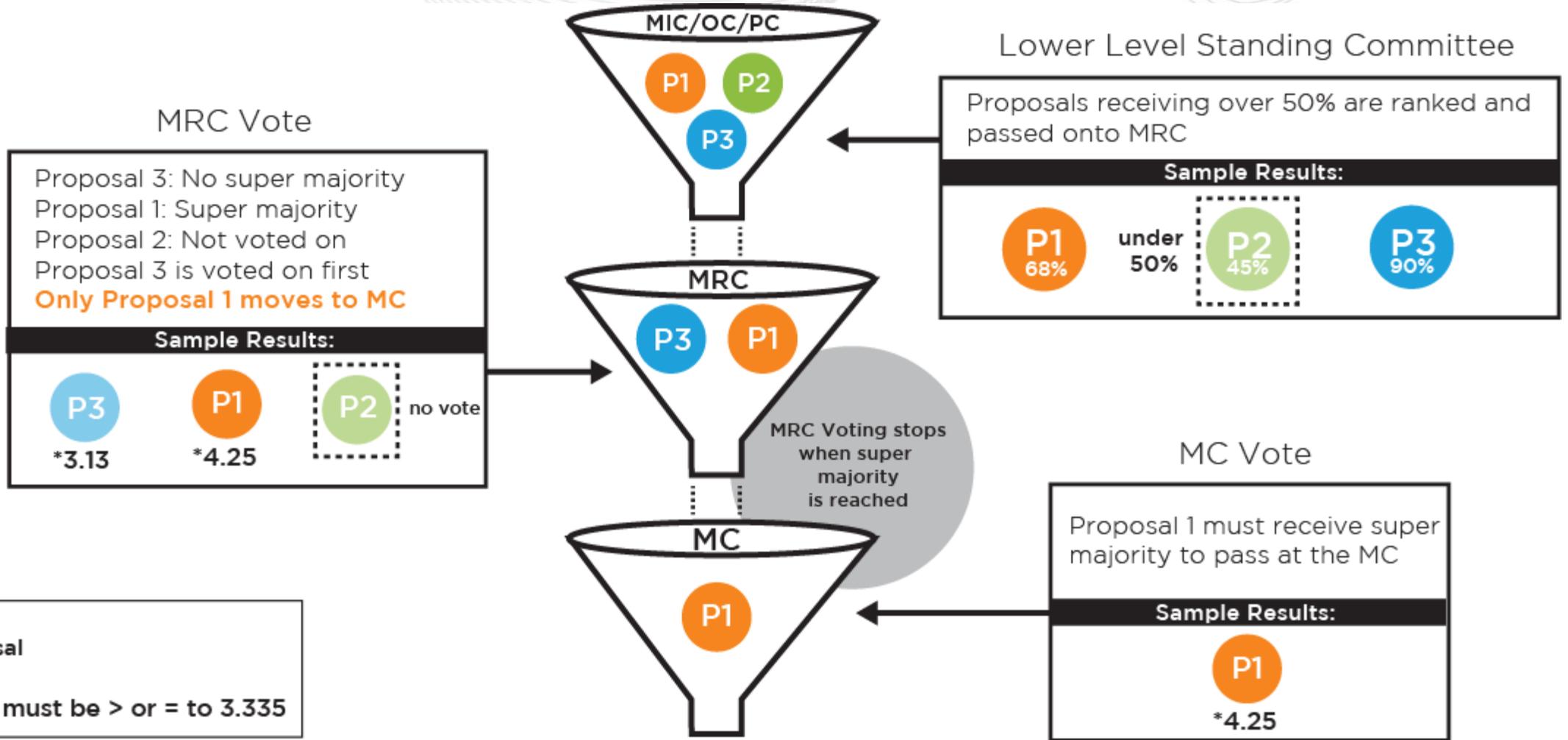
** For a limited number of issues such as Charter approvals the threshold is 1/2.

*Affiliates and emergency load program members may not vote at any level

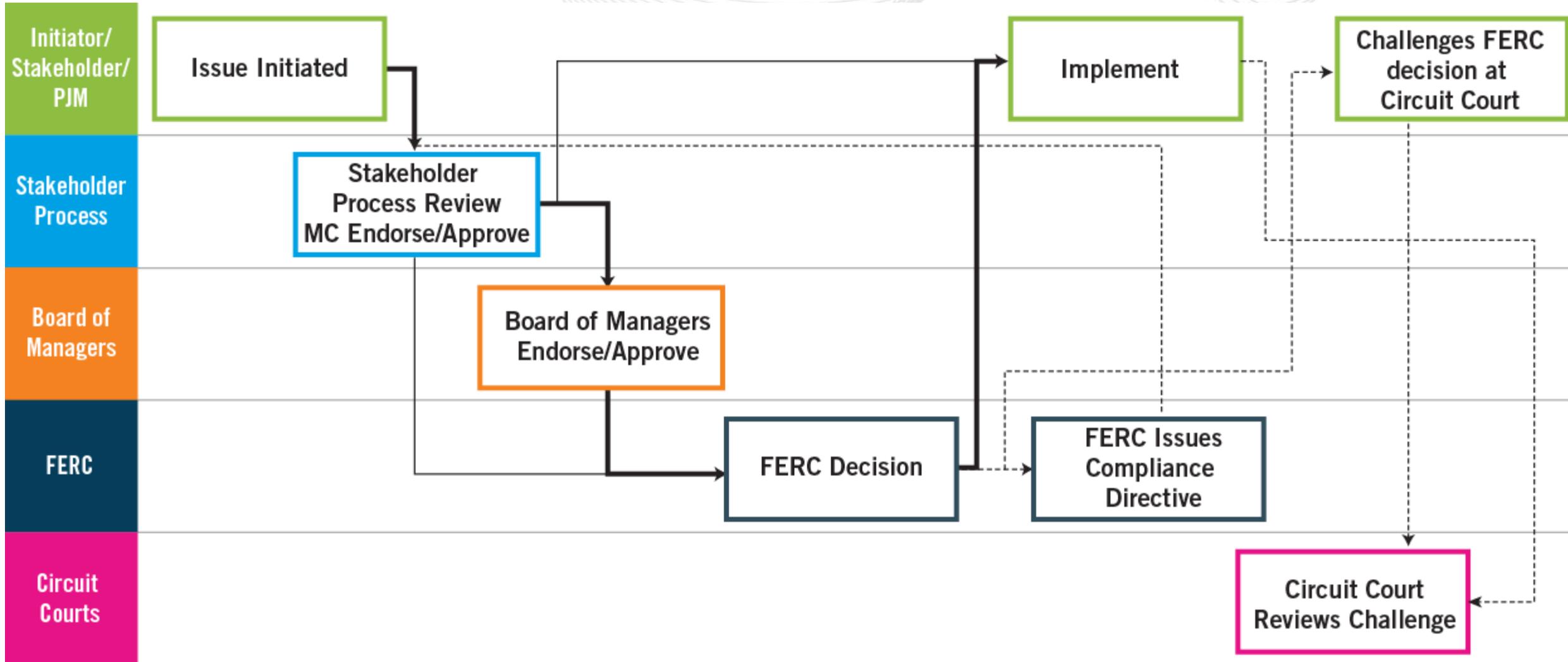


Sector Weighted Vote Calculation Example

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
Sum				3.457
Threshold	.667 x 5 Sectors = 3.335			



P# — Proposal
 *to pass vote must be > or = to 3.335



[Sign In](#) | [Register](#) | [Tools Sign In](#) | [Glossary](#) | [Calendar](#)

 [Go](#) advanced

[about pjm](#) | [training](#) | **[committees & groups](#)** | [planning](#) | [markets & operations](#) | [documents](#)

- [Committees](#)
- [User Groups](#)
- [Subcommittees](#)
- [Task Forces](#)
- [Closed Groups](#)
- [Issue Tracking](#)**
- [Stakeholder Meetings](#)
- [State Commissions](#)
- [Consumer Advocates](#)
- [Independent State Agencies Committee](#)
- [WebEx](#)

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**