

PJM Stakeholder Process Training - Governance



Dave Anders, Director – Stakeholder Affairs
Michele Greening, Sr. Lead Stakeholder
Affairs Consultant
Janell Fabiano, Sr. Stakeholder Process
Specialist
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Fundamentals of the Stakeholder Process

- PJM and Governing Documents
- Governance Structure, Membership and Sectors
- Stakeholder Process Overview
- Roles & Responsibilities of Participants
- Voting and Rules of Procedure
- Additional Resources and References



PJM and Governing Documents



OA

Operating Agreement

Agreement among members which established PJM Interconnection, L.L.C.

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



The Tariff

Open Access Transmission Tariff

Rates & Terms of Service



RAA

Reliability Assurance Agreement

Must be a signatory to be an LSE

Of Particular Interest:



HIGHLIGHTS

- Sets up the corporation and operational rules
- Governance
- Contains interchange energy market rules, RTEP protocol

Sections	
7	Board
8	Members Committee
9	Officers
10	Office of the Interconnection
11	Members

Schedules	
1	Energy Market
2	Components of Cost
5	Dispute Resolution
6	RTEP Protocol



OATT HIGHLIGHTS

- Based on pro forma FERC Tariff
- Rates, terms and conditions of service

Articles	
II	Point-to-Point Transmission Service
III	Network Integration Transmission Service
IV	Generation Deactivation
VI	New Service Requests

Attachments	
DD	RPM
H	Zonal Transmission Rates
HH	PJM Settlements
K	Appendix – Energy Market
M	Market Monitoring
Q	Credit Policy

Schedules	
9	Administrative Service Fees



HIGHLIGHTS

- “...ensure that adequate Capacity Resources... will be planned and made available to provide reliable service to loads...in a manner consistent with the development of a robust competitive marketplace”
- Creates obligations for load serving entities

Of Particular Interest:

Article	
7	Determination of Capacity Obligation
Schedules	
4	Forecast Pool Req.
5	Forced Outage Rates
7	DR/EE
8.1	Fixed Resource Req.



Other

GOVERNING DOCS

- Consolidated Transmission Owners Agreement
- Joint Operating Agreements (MISO, NYISO, etc.)



Other

IMPLEMENTING DOCS

- Manuals (Energy Market manuals, RTEP, Transmission, Reserves, Accounting & Billing, Admin, Misc.)
 - Most endorsed by MRC
 - PJM responsibility
 - 15, 34 have different path
- Non-manual documents (Congestion Management Protocol, Regional Practices)



CTOA

HIGHLIGHTS

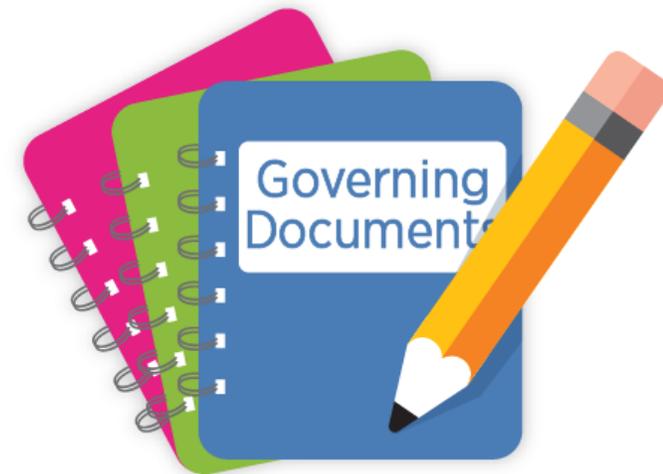
- Establishes rights and commitments of PJM vis-à-vis TOs
- Facilitates the coordination of planning and operation
- Transfers certain planning and operating responsibilities to PJM

Of Particular Interest:

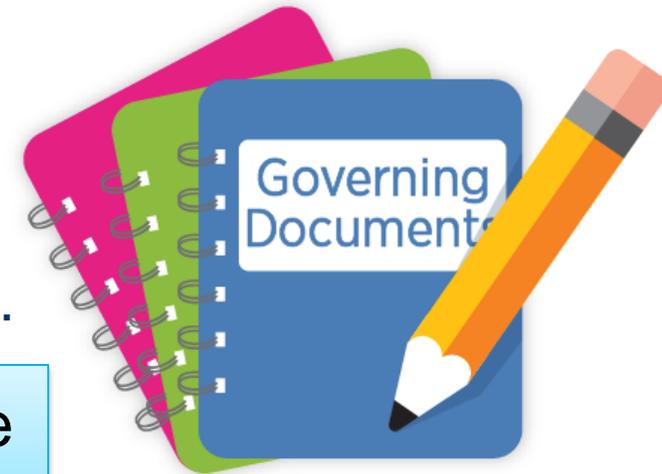
Article	
7	TO Filing Rights
8	TOA – Administrative Committee

- Requires public utilities to file with the Commission all rates and charges for any transmission or sale subject to the jurisdiction of the Commission.
- Requires that tariffs, rate schedules, service agreements and contracts relevant to services offered must be filed at FERC.

Note: To approve the filings, the Commission must find that the rates are just and reasonable and not unduly discriminatory and preferential.



- Allows the Commission to modify rates upon its own motion or upon motion or complaint.
- Requires that in order to modify or replace the filed rate, the proponent of a change to the filed rate must meet a dual burden of:
 - **First:** establishing that the current rate is unjust and unreasonable
 - **Second:** establishing that the alternative rate proposal is just and reasonable



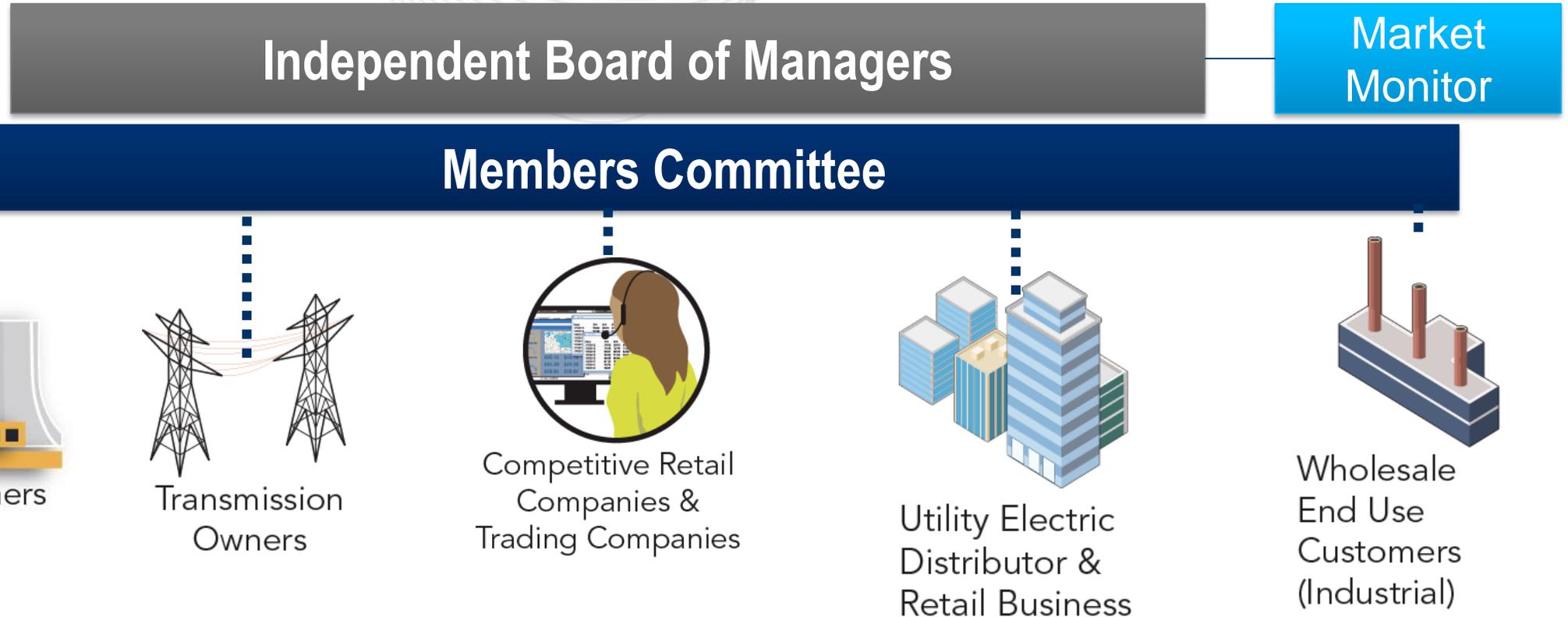
Note: It is not sufficient to simply demonstrate an alternative is superior to the current rate.



High Level: Who Can File Under 205 & 206?

	OA	TARIFF	RAA	CTOA
Who can amend & under what FPA section	<p>Requires 2/3 endorsement by Members Committee to amend under FPA 205</p> <ul style="list-style-type: none"> If 2/3 endorsement not achieved: <ul style="list-style-type: none"> the Board can authorize PJM to file under FPA 206 Others can seek to change the OA through filing a complaint under FPA 206 	<p>PJM can file under FPA 205 without 2/3 endorsement of Members Committee</p> <ul style="list-style-type: none"> Even though we could technically file under FPA 205 without any stakeholder process, our practice is to work toward endorsement TOs have FPA 205 filing rights over certain aspects of the Tariff But would seek Board support for making such a filing Others can seek changes to the Tariff through filing a complaint under FPA 206 	<p>Only the Board has the ability to approve amendments to the RAA under FPA 205</p> <ul style="list-style-type: none"> We typically seek endorsement through the stakeholder process to inform the Board Others can seek changes to the RAA through filing a complaint under FPA 206 	<p>Only parties to the CTOA can amend the CTOA under FPA 205</p> <ul style="list-style-type: none"> Others can seek changes to the CTOA through filing a complaint under FPA 206

Governance Structure, Membership and Sectors



- Independent Board of Managers
- Stakeholder process – provide balanced stakeholder input

Typical Member Types by Sector

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

- Vertically integrated utilities
- Pure transmission owners
- Merchant transmission owners



Generation Owners – members owning/controlling 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

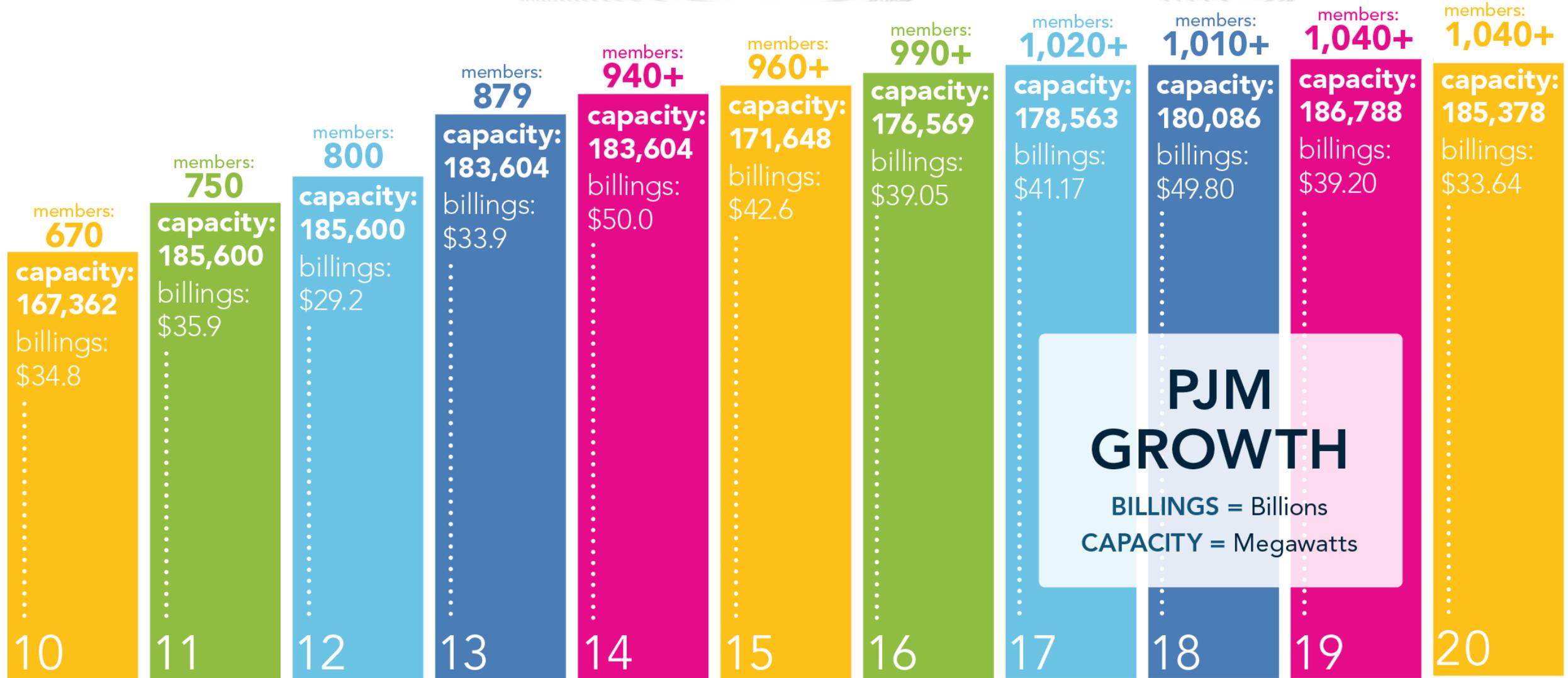


Other Suppliers – members engaged in our markets that do not qualify in another sector:

- 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)



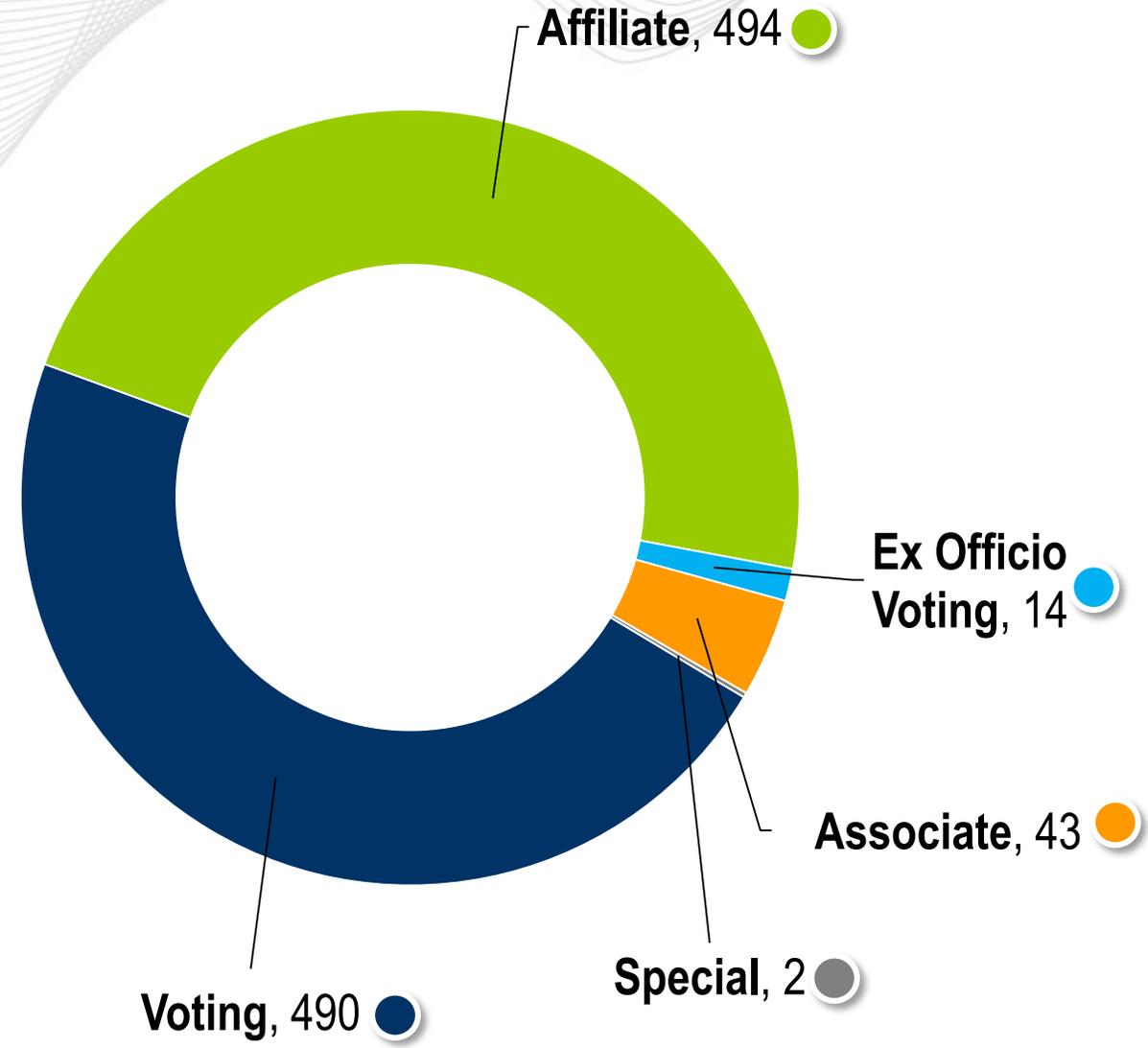
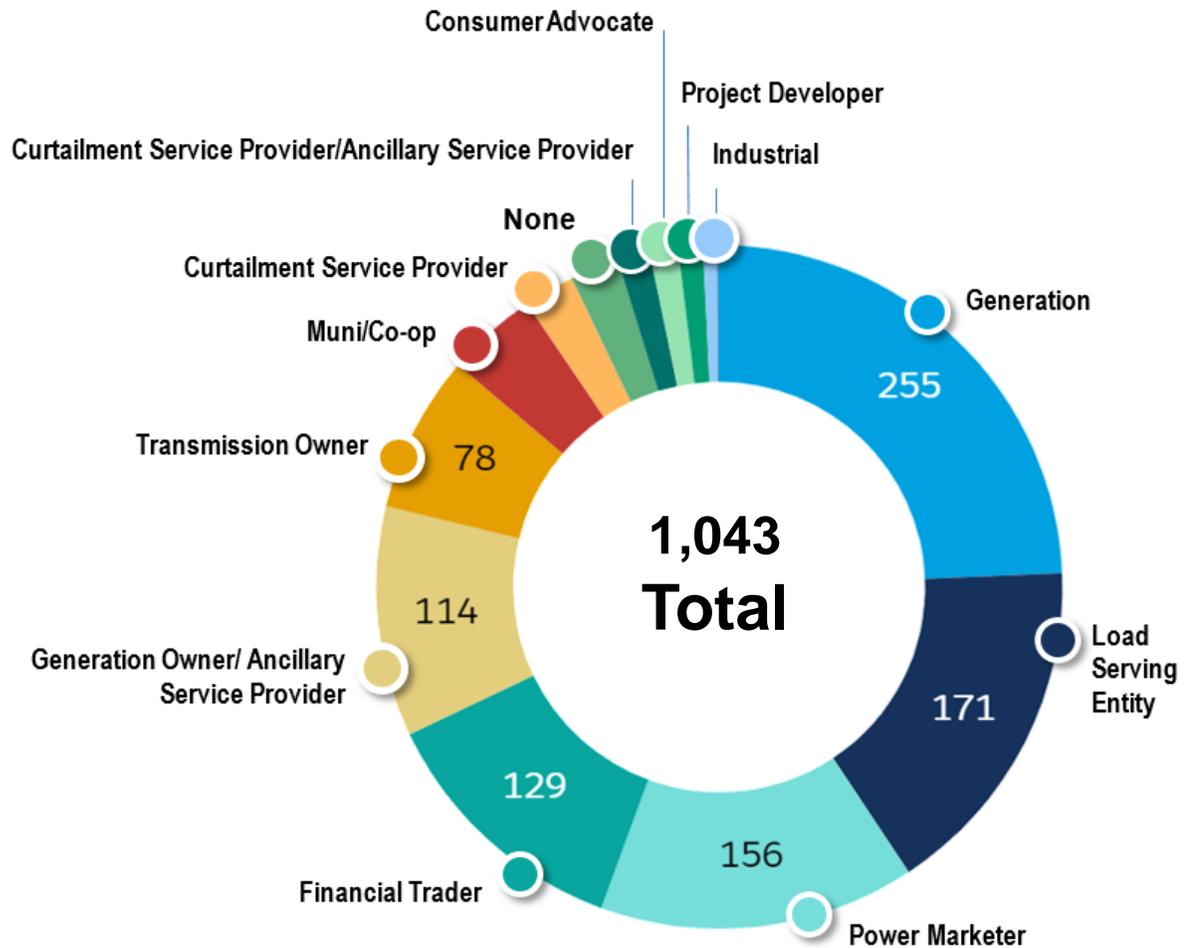
- **Sector Selection Process**
 - New Members Initial Selection
 - Existing Members Sector Recertification and Change Requests
- **Sector Challenge Process**
- **Sector Usage**
 - Committee Representation (Finance Committee, Liaison Committee, etc.)
 - Senior Standing Committee Voting



- Voting Members and Affiliate Members
 - Market Participation and Voting Rights
- Ex Officio Voting Members
 - No Market Participation but Voting Rights
- Associate Members
 - No Market Participation or Voting Rights
 - Can participate in stakeholder activities and PJM trainings.
- Special Members (Emergency Customer Load Reduction Program)
 - No Voting Rights

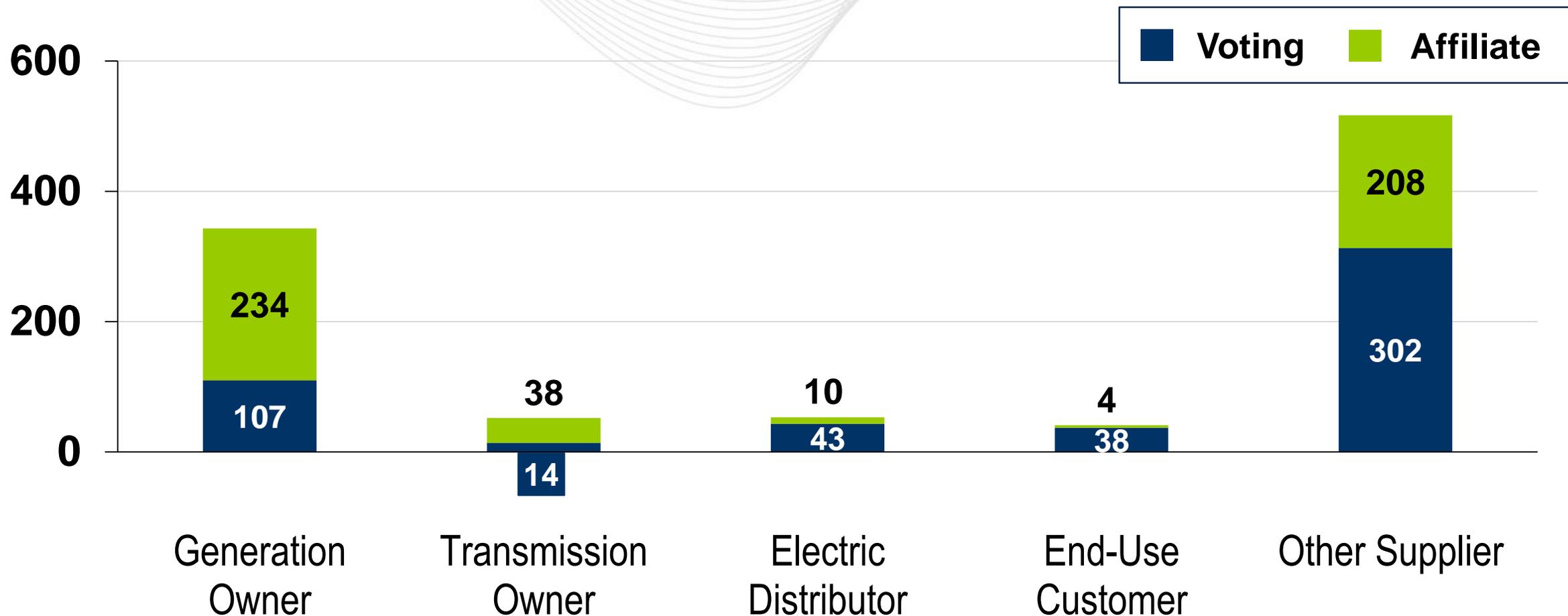
Membership Lines of Business

(as of January 31, 2022)



Voting Status by Member Sector

(as of January 31, 2022)



Stakeholder Process Overview

Purposes of the Stakeholder Process

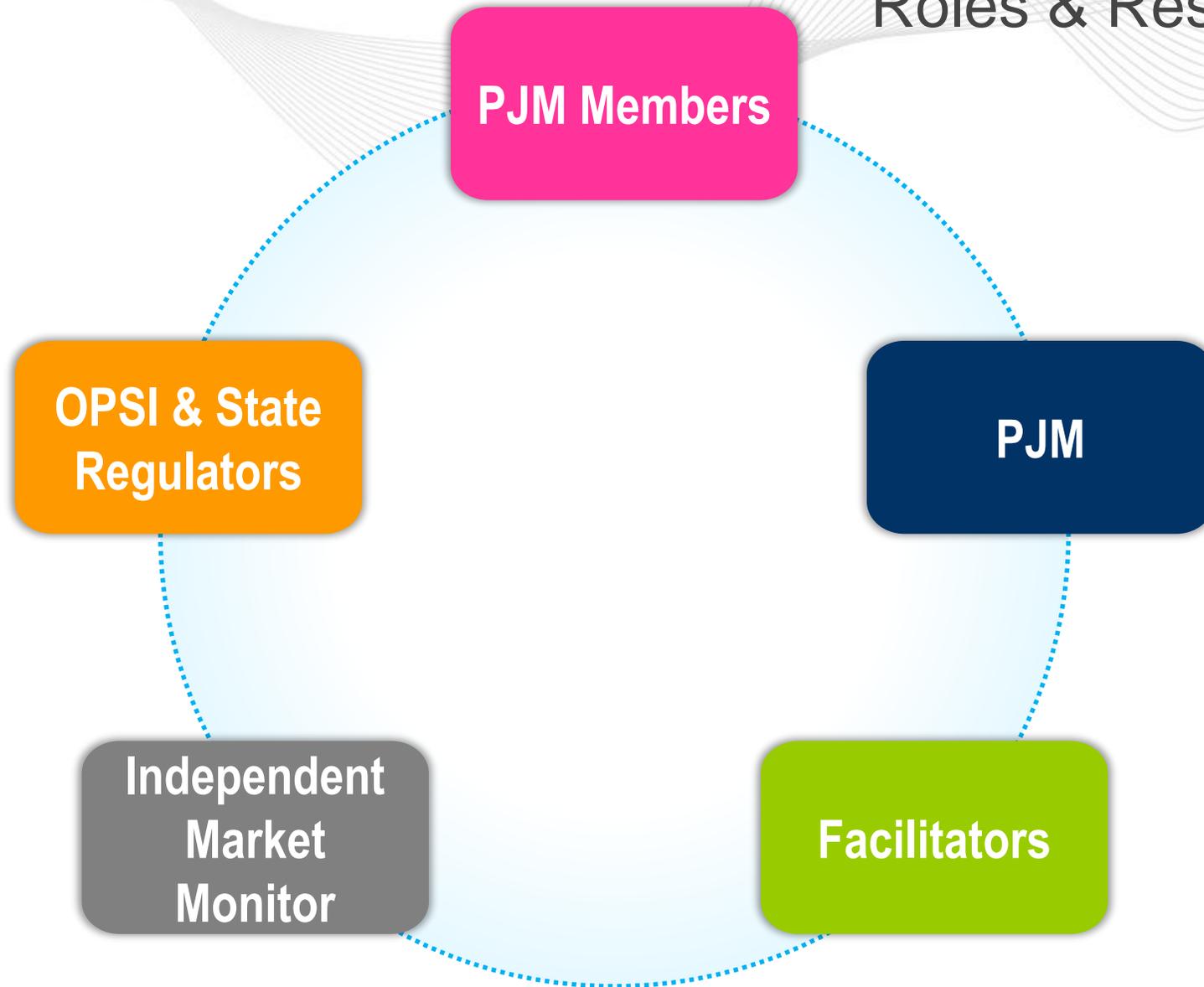
Educate each other on issues related to PJM markets, operations, planning, credit & risk, public policies and industry matters

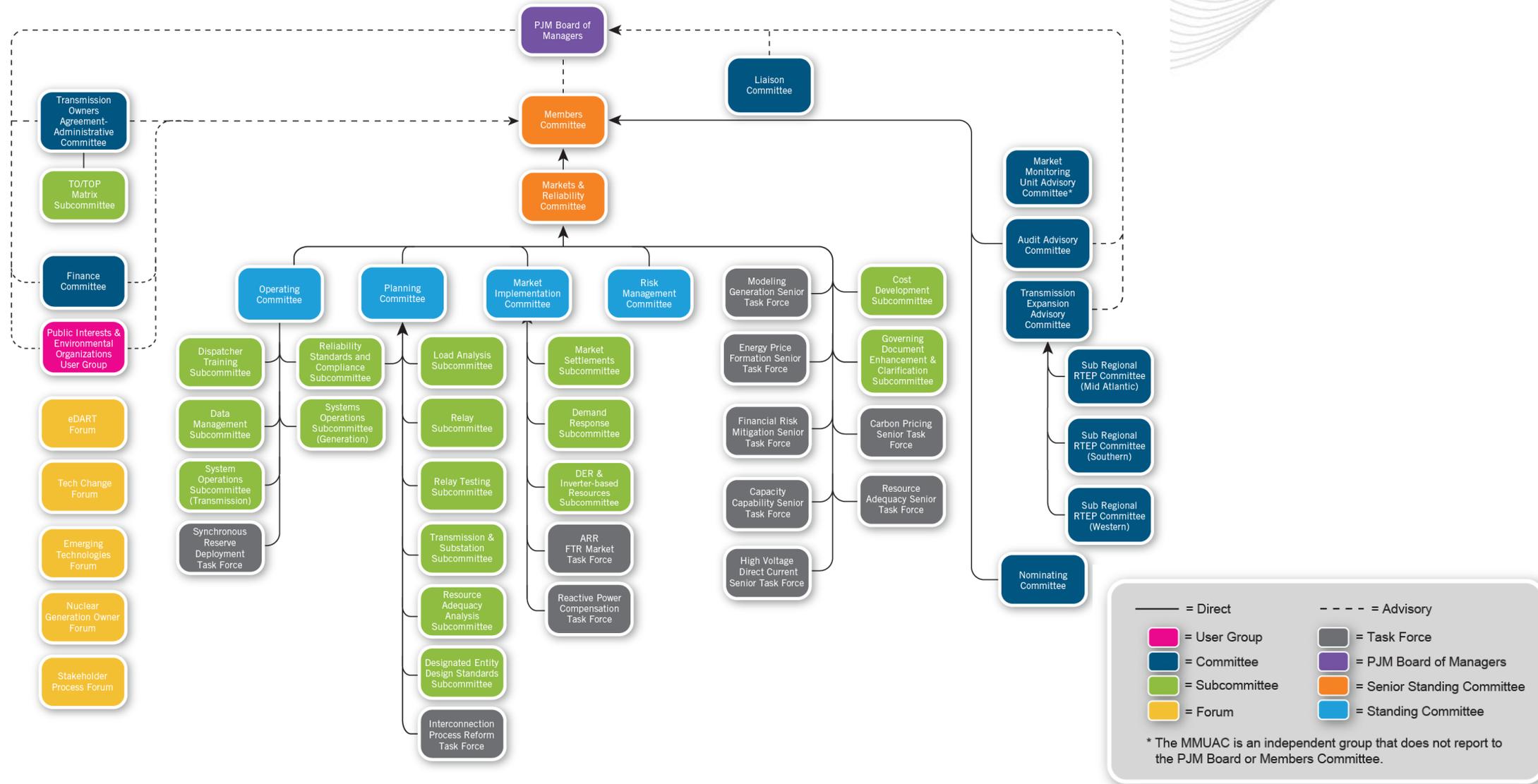
Explore solutions, build consensus, and develop manual / governing document revisions which may help policymakers approve key laws and regulations

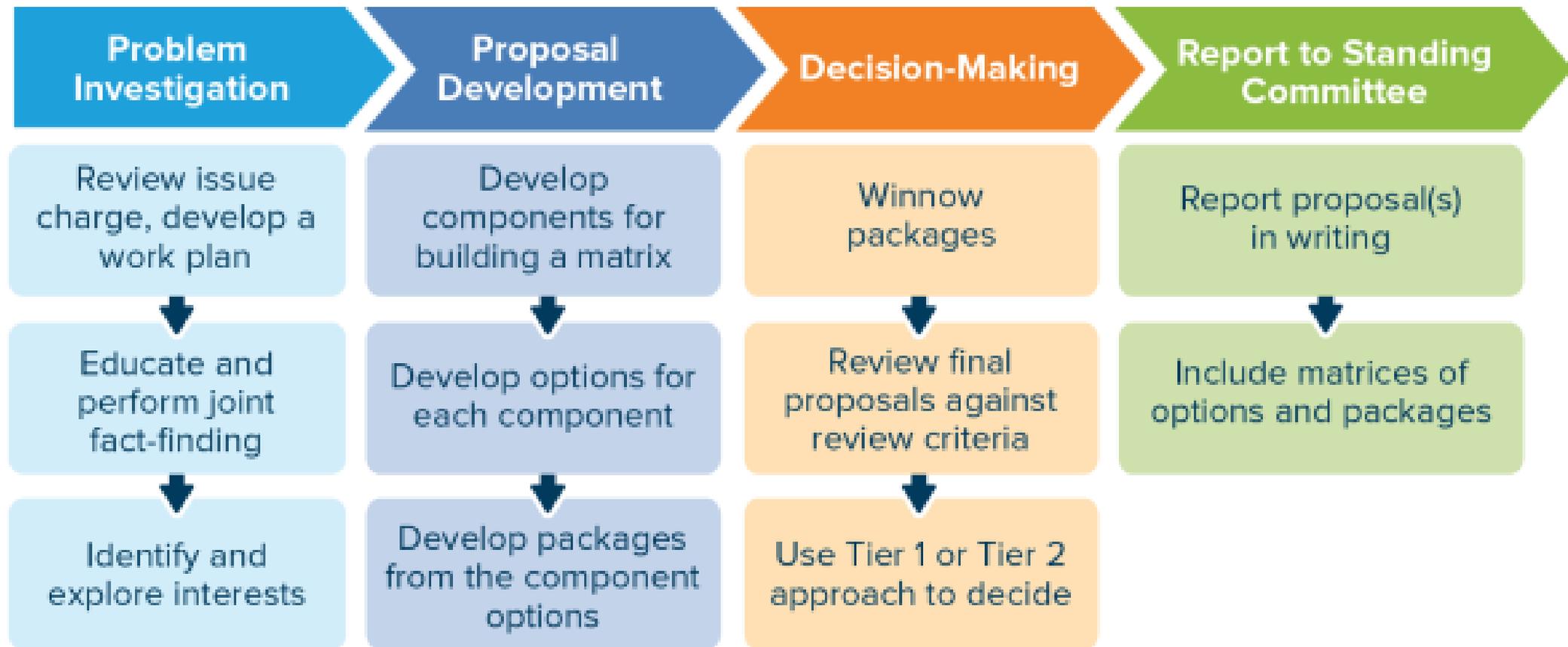
Enhance communication among members and between members and PJM management

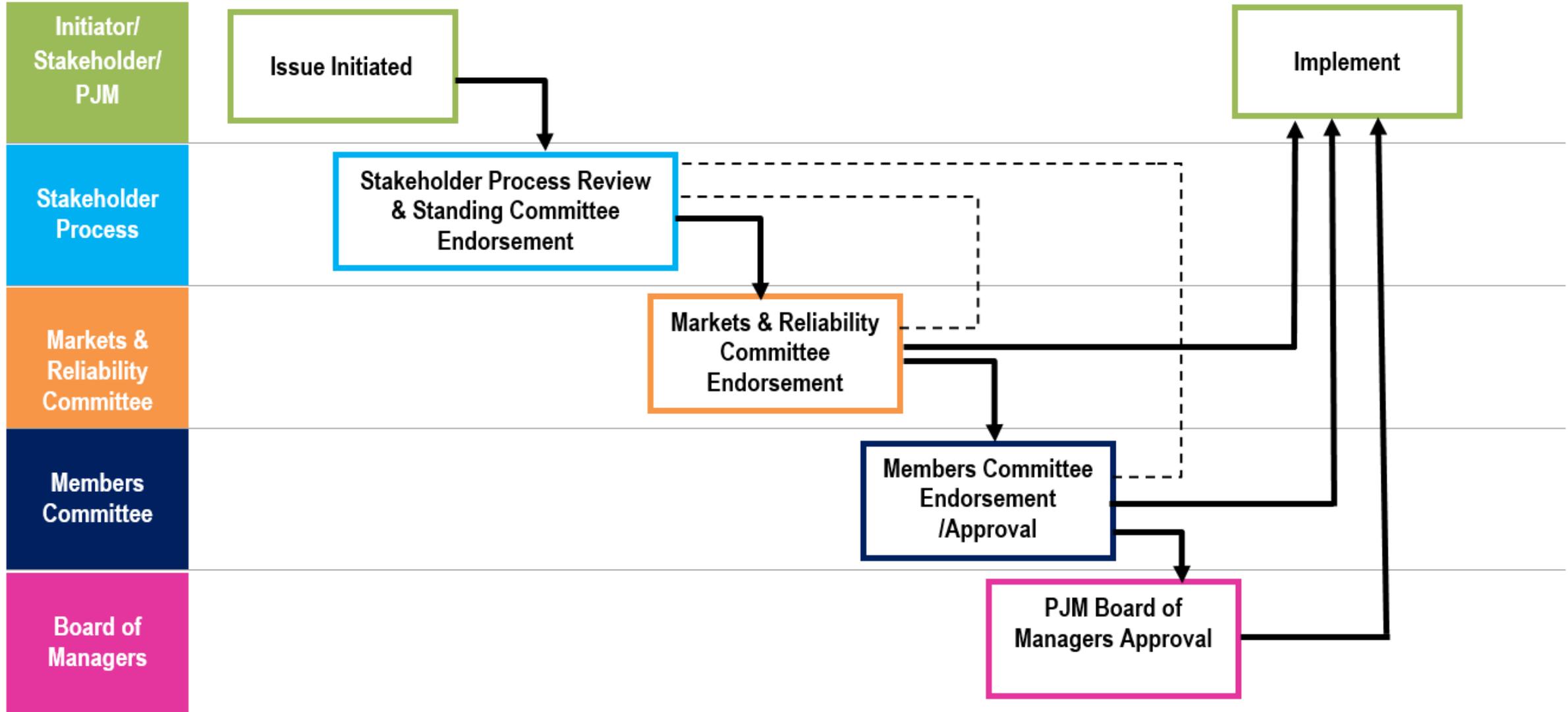
Vet and approve/endorse changes to PJM markets, operations, planning and credit & risk as contained in the OA, Tariff, RAA and manuals

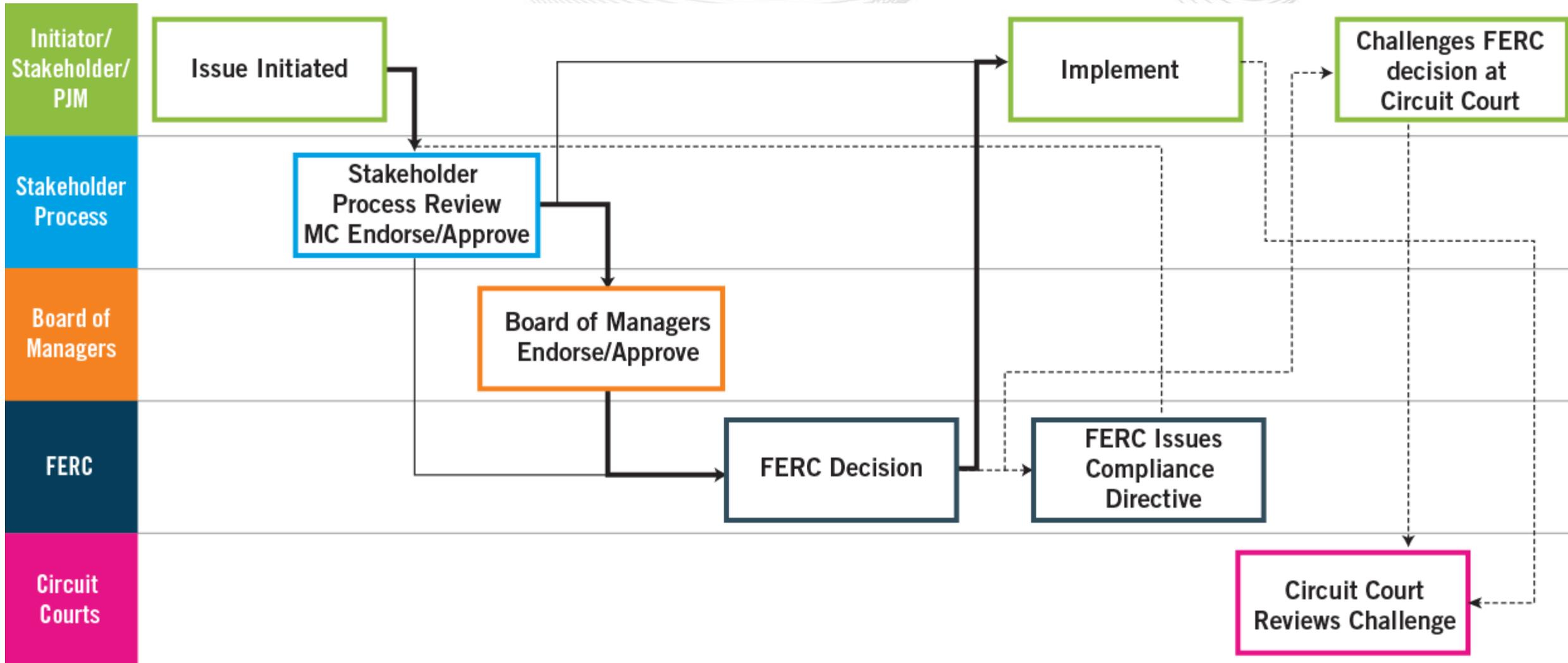












Decision Making and Rules of Procedure

Non-voting

- Utilizes polling tool and requires no additional access

Voting

- Requires access to PJM's voting application
- Requires designation as a roster representative for the committee or group
- Proxy designation is available

	Stakeholder Group	Who Can Respond	Decision-Making Methodology	Threshold for Endorsement (passing)	Sector-Weighted Voting?	What moves up to Parent Committee?
Non-Voting (Polling)	Sub-Committee	<ul style="list-style-type: none"> • Voting members and affiliates • Ex-Officio voting members • Non-members 	Strive for consensus. (Tier 1). If no consensus is achieved, produce multiple proposals (Tier 2).	Tier 1: All members can live with the proposal. Tier 2: At least three supporting voting members from two sectors.	No	If a consensus proposal cannot be forwarded on to parent committee, multiple proposals are narrowed down and all proposals meeting the threshold are forwarded to parent committee.
	Task Force (Except Sr. Task Force)					

Voting – Standing Committee & Sr. Task Force

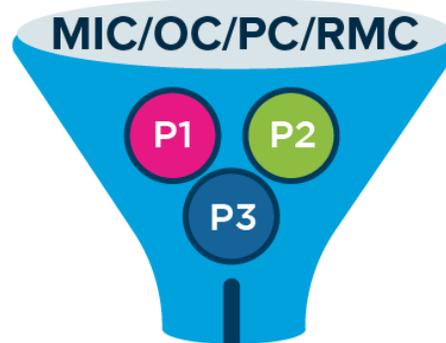
	Stakeholder Group	Who Can Vote	Decision-Making Methodology	Threshold for Endorsement (passing)	Sector-Weighted Voting?	What moves up to Parent Committee?
Voting	Sr. Task Force	<ul style="list-style-type: none"> Voting members and affiliates Ex-Officio voting members 	Strive for consensus. If no consensus is achieved, then vote on multiple options.	Simple Majority and Preferred over Status Quo	No	All proposals that receive simple majority and are preferred over status quo by > 50% 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 and are preferred over status quo by > 50% are considered alternative motions ranked in order of votes received
	Lower-Level Standing Committee (MIC/PC/OC/RMC)					

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

	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	The first motion voted on that receives MRC endorsement is forwarded to the MC as the main motion.

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

Standing Committee Voting Example



Lower-Level Standing Committee

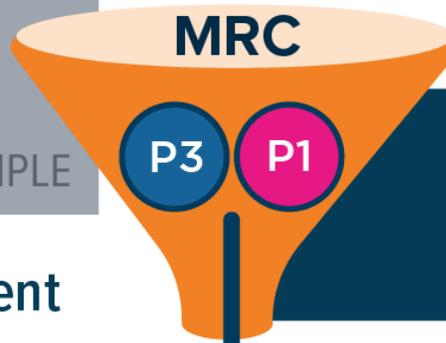
P1 Proposal 1 = 68%
P2 Proposal 2 = 45%
P3 Proposal 3 = 90% EXAMPLE

Proposals receiving over 50 percent for simple majority and preference over status quo are ranked and passed onto the MRC

MRC Vote

P3 Proposal 3: (voted first) *3.13
P1 Proposal 1: *4.25
P2 Proposal 2: Not voted on EXAMPLE

Proposals receiving over 50 percent for simple majority and preference over status quo are ranked and passed onto the MRC



MRC voting stops when this threshold is reached. *Note: To pass a vote must be greater or equal to 3.335.

MC Vote

Proposal 1 must receive a super majority to pass at the MC



P1 Proposal 1 passes — *4.12 EXAMPLE

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			

- PJM stakeholder meetings follow the rules of procedure outlined in Manual 34.
- Any procedure not specified in Manual 34, is governed by Robert's Rules of Order.



- Any Member may propose one or more amendments or technical corrections.
- The amendments must be must be germane to the specific issue.
- The amendments do not require a second.
- An objection can be registered to the proposed amendments
 - If not objected to, the amendment will be incorporated
 - If objected to, it can be moved as an alternative motion

- Alternate motions require a mover and a second.
- The alternative motion must be germane to the specific issue and must be related to a discussion area that was vetted in the earlier CBIR process.
- Motion Voting Order
 - Main Motion followed by amendments/alternative motions in the order received
 - Truncated voting rules apply

Additional Resources and References

Stakeholder Process Forum

PJM Learning Center

New Member Quick Guide

Committee Meetings

At a Glance: The PJM Stakeholder Process

Stakeholder Process Calendar

The screenshot displays the PJM Learning Center website. At the top, there is a navigation bar with tabs for 'Electricity Basics', 'Who is PJM?', 'PJM Structure', 'Three Priorities', and 'Energy Innovations'. A video player is featured with the title 'WHO'S WHO IN THE PJM CONTROL ROOM'. Below the video, there are several smaller images related to PJM operations. The main content area shows a 'Committees & Groups' page with a sidebar menu listing various meeting centers and groups. A central diagram titled 'View the PJM Stakeholder Process Groups Diagram' illustrates the relationship between the 'PJM Board of Managers' and the 'Members Committee'. To the right, there is a 'CONTACT INFORMATION' section with phone numbers and a 'Member Community' link.

- Roles
- Issue Initiation Process
- Mutual Gains Theory
- Consensus Based Issue Resolution (CBIR)
- Cake Example – live practice
- Alternative processes
- Annual work planning process
- Getting Involved

PJM Stakeholder Affairs
StakeholderAffairsTeam@pjm.com

Appendix

- Join email distribution lists to receive all future emails regarding this group
- Register for meetings in Meeting Center
- Join the roster for groups of interest (required for voting representatives)

The screenshot shows the PJM website's user interface. At the top, there is a navigation bar with 'Hi', 'Tools Sign In', and 'Calendar'. A search bar is located on the right. Below this is a secondary navigation menu with links for 'about pj', 'training', 'committees & groups', 'planning', 'markets & operations', and 'library'. The main content area is titled 'My PJM Home' and includes a sub-menu with 'My Email Lists' and 'My Profile'. A large heading reads 'My PJM Home' with the subtext 'Manage your meeting registrations and subscriptions to newsletters and email lists.' Below this is a link to 'PJM Functional Organizational Chart (PDF)'. A 'My Links' section contains links for 'Member Community', 'Learning Center', 'Meeting Center', and 'PJM Tools Sign In'. To the right, there are sections for 'RELATED INFORMATION' (Training Events, About PJM, Committees), 'FAQs' (How do I update my account information, Will the PJM website remember that I am signed in), and 'CONTACT INFORMATION' (Member Community, phone numbers: (866) 400-8980, (610) 666-8980).

Two callout boxes are present: one on the left highlights the 'My PJM Home' and 'My Email Lists' sub-menu, and another at the bottom highlights the 'My Links' section.

My PJM Home
Home > My PJM Home > My Email Lists

My Email Lists

My Profile

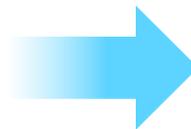
My Email Lists

PJM uses a number of lists to send meeting notices, materials, voting or polling results, tool updates and reminders to stakeholders. To subscribe to a list, browse the topic categories and select the lists to which you would like to be added. Once you have made your selections, click the submit button. Selections will be processed within 10 minutes of submission. Do not attempt to resubmit the selection as this will overwrite the latest request.

If you don't see an email list in the *Available Subscriptions* box below, you can update your subscription preferences via the [Email List Update form](#) by entering the name of the mailing list which you would like to be subscribed to or unsubscribed from.

Email List	Subscribed
Committees	<input checked="" type="checkbox"/> ARR FTR Market Task Force
Communications	<input checked="" type="checkbox"/> Capacity Capability Senior Task Force
Forums	<input checked="" type="checkbox"/> Carbon Pricing Senior Task Force
Subcommittees	<input type="checkbox"/> Energy Price Formation Senior Task Force
Task Forces	<input checked="" type="checkbox"/> Financial Risk Mitigation Senior Task Force
	<input type="checkbox"/> Fuel Security Senior Task Force
	<input type="checkbox"/> Incremental Auction Senior Task Force
	<input checked="" type="checkbox"/> Market Efficiency Process Enhancement Task Force
	<input checked="" type="checkbox"/> Modeling Generation Senior Task Force
	<input type="checkbox"/> Primary Frequency Response Senior Task Force

1. Select Category



2. Select Committee or Group



3. Click Submit

Hi Tools Sign In Calendar Go

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

My PJM Home Home > My PJM Home Print Email

My Email Lists

My Profile

My PJM Home

Manage your meeting registrations and subscriptions to newsletters and email lists.

[PJM Functional Organizational Chart \(PDF\)](#)

My Links

Member Community	Secure Content Areas 🔒
Learning Center	User Interface Standards
Meeting Center	
PJM Tools Sign In	

RELATED INFORMATION

- [Training Events](#)
- [About PJM](#)
- [Committees](#)

FAQs

- How do I update my account information, such as my name, email address, phone number or password?
- Will the PJM website remember that I am signed in if my browser does not allow cookies or my cache is cleared?

CONTACT INFORMATION

Member ?
Community

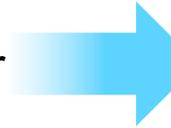
(866) 400-8980
(610) 666-8980
[Member Relations](#)

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Select Meeting Center



Meeting Center

Status

- Open
- Closed
- Registered
- Canceled

Committees & Groups

- Markets & Reliability Committee
- Members Committee
- Planning Committee

1. Scroll through the list of available meetings

Search

Showing results 1 - 15 of 241
[Load My Filters](#) | [Save My Filters](#)
[Clear Filters](#)

Meetings Select: All | None **Register**

Select	Date/Time	Details	Status
<input checked="" type="checkbox"/>	4.7.2020 9:00 a.m. - 4:00 p.m. EPT	Capacity Capability Senior Task Force Conference Call Capacity Capability Senior Task Force	Open

3. Click Register

2. Select Meeting

- Individuals authorized to vote on behalf of the member company must be included on the roster.
- Rosters also provide contact information for other involved stakeholders.

Update roster members using the [Roster Update Form](#).

The screenshot shows the PJM website's 'Task Forces' page. The navigation menu at the top includes 'about pjm', 'training', 'committees & groups', 'planning', 'markets & operations', and 'library'. The 'committees & groups' menu is active. On the left, a sidebar lists various groups, with 'Task Forces' expanded to show 'ARR FTR Market Task Force', 'Carbon Pricing Senior Task Force', and 'Capacity Capability Senior Task Force'. The main content area features a breadcrumb trail 'Home > Committees & Groups > Task Forces', a heading 'Task Forces', and a description: 'Task forces are temporary stakeholder groups that address specific non-routine issues or other duties as assigned within the scope of a defined charter. They are disbanded upon completion of the specific work activity.' Below this, it states 'Open task forces can be found in the navigation to the left.' and 'Closed task forces'. A photograph of a meeting is shown. On the right, a 'RELATED INFORMATION' section lists 'Facilitator Feedback Form', 'Roster Update Form' (highlighted with a blue arrow), 'Stakeholder Process Quick Guides & Templates', 'M34', and 'Committee Structure Diagram'. A 'CONTACT INFORMATION' section is partially visible at the bottom.

Access the form from any committee or group page

Each member company can name up to four representatives, including one primary and three alternates.

Complete the form fields and click Submit

Home > Committees & Groups > Committees > Roster Update Form

Roster Update Form

This form is used to update your information with PJM and add or remove yourself from PJM stakeholder group rosters. Four representatives are permitted on each committee roster. To manage your email lists subscriptions, visit the [My Email Lists page](#).

* Required

Representative Information

Please verify the contact information below and edit as needed. You can modify your profile information in [Account Manager](#).

* First name	* Last name
<input type="text"/>	<input type="text"/>
First name is required.	Last name is required.
* Title	* Company
<input type="text"/>	Select Member Company ▼
	<i>If your company is not in the list above, please select 'Other' and enter the appropriate name.</i>
* Phone	* Email
<input type="text"/>	<input type="text"/>
Phone number is required.	Email is required.
* Select type	If you are replacing a representative, please provide us with their name.
<input type="radio"/> Primary	<input type="text"/>
<input type="radio"/> Alternate	

Manage Rosters

* Roster update

Add