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December 10, 2009

PJM Members Committee

Dear Members:

The Nominating Committee held its organizational meeting on October 14, 2009. The sector representatives are Neal Fitch (GO), Diane Huis (ED), Jim Haney (TO), David Kleppinger (EUC), and Barry Trayers (OS). The Board of Managers representatives on the Nominating Committee are Lynn Eury, non-voting Chair, Sue Riley and Howard Schneider.

Following the organizational items on the agenda, the Nominating Committee members reviewed the qualifications and prior service of Jean Kinsey, Richard Lahey and William Mayben, the three incumbent Board members. Each had indicated their desire to be considered for reelection at the 2010 Annual Meeting. The qualifications were evaluated in light of the criteria established by Section 7.2 of the Operating Agreement for the composition of the Board.

Prior to the next meeting, the sector representatives used the time to communicate with the sector members, outlining the Nominating Committee process, identifying the Board members who are eligible for reelection, and inviting comments on those Board members.

On December 2, 2009 the Nominating Committee met again to consider whether to nominate some or all of the three incumbent Board members for reelection or whether to retain an independent consultant to identify alternative candidates. Among the Committee's considerations were the diversity of experience and expertise of the current Board members, their performance and dedication to PJM and the challenges in finding candidates who would meet the qualifications for Board membership that is outlined in the Operating Agreement. After discussion, the Committee voted to nominate Ms. Kinsey and Messrs. Lahey and Mayben for reelection in accordance with Section 7.1 of the Operating Agreement.

The Committee wanted to notify the Members of its decision well in advance of the Annual Meeting in May 2010 at which the election will take place. Detailed information on the nominees will be circulated to the Members Committee prior to that meeting.

The Nominating Committee appreciates the comments received from the Members during this process.

Sincerely,

A handwritten signature in black ink that reads "Terry Boston".

Terry Boston
CEO and President

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