

Updated PJM Stakeholder Process

Consensus Based Issue Resolution

Planning Committee

January 6, 2011

- Educate stakeholders on a wide range of issues related to PJM markets, operations, public policies and industry matters;
 - Explore different solutions, building consensus which helps policy makers approve key laws and regulations;
 - Improve communication among Members and between Members and PJM management; and to
 - Implement the powers and responsibilities of the Members Committee and other committees defined in the OA. Specifically, the powers and responsibilities germane to the stakeholder process are found in OA sections 3.1 (a), 8.6, 8.8 and 18.6.
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- *...the PJM members process is where the reliability and market rules get made.*

Why was an update necessary and what were the goals?

- Members were seeking to improve the stakeholder process through greater efficiency in finding areas of consensus.
- When the PJM member's process is not working efficiently and effectively, the rules to live by often are not working efficiently or effectively either.
- The approach reached through the GAST will improve the stakeholder process by reorganizing structure and process from beginning to end, resulting in more efficient meetings, less churning of issues, better and more honed ideas, clearer decisions for higher level committees all while protecting the minority rights of individual members.
- In August of 2010, after months of work, a diverse, broad, cross-sectoral group of PJM members reached consensus (i.e., support from all) on the governance recommendations. The package of Consensus Based Issues Resolution changes was approved without opposition by the Members Committee. These recommendations are contained in the new PJM Stakeholder Process Manual will have substantial benefits for PJM members and PJM.

- In short, the improvements will ensure greater effectiveness, efficiency and consistency at and across PJM's committees.
- In more specific terms, the improved governance will increase transparency, improve broad member understanding on issues, ensure more consistency across groups in the intensive members' process, increase accountability of committees, and most importantly, ensure better solutions through joint deliberation.

Greater efficiency in finding areas of consensus

More consistency within workgroup processes

Improved work planning & control of workgroup direction

Enhanced stakeholder education on key issue topics

Better informed members through improved reporting

Greater clarity and separation of PJM's multiple roles in stakeholder process

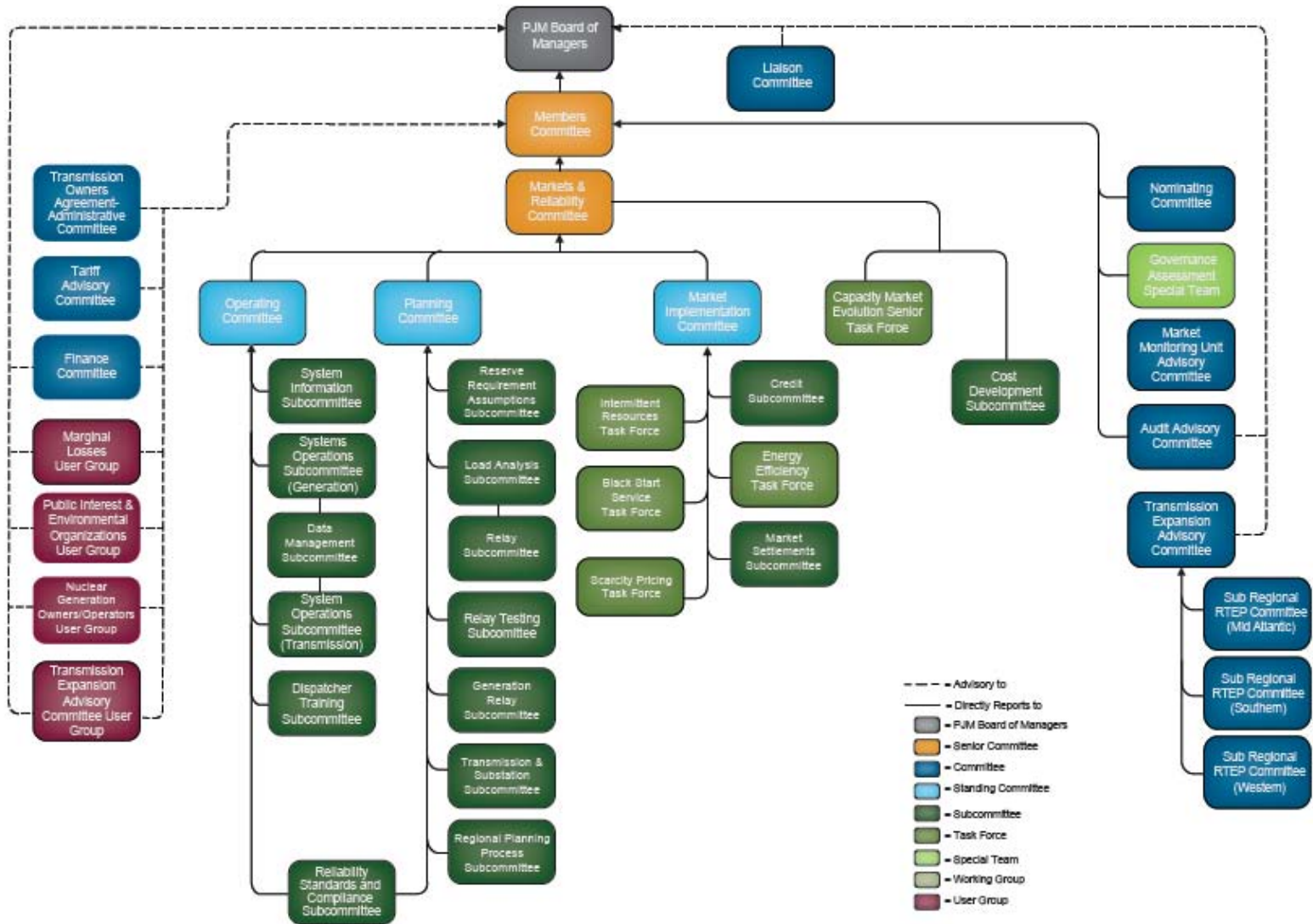
Clearer responsibilities for all

Greater assurances for minority positions

Improved transparency between Members and the Board

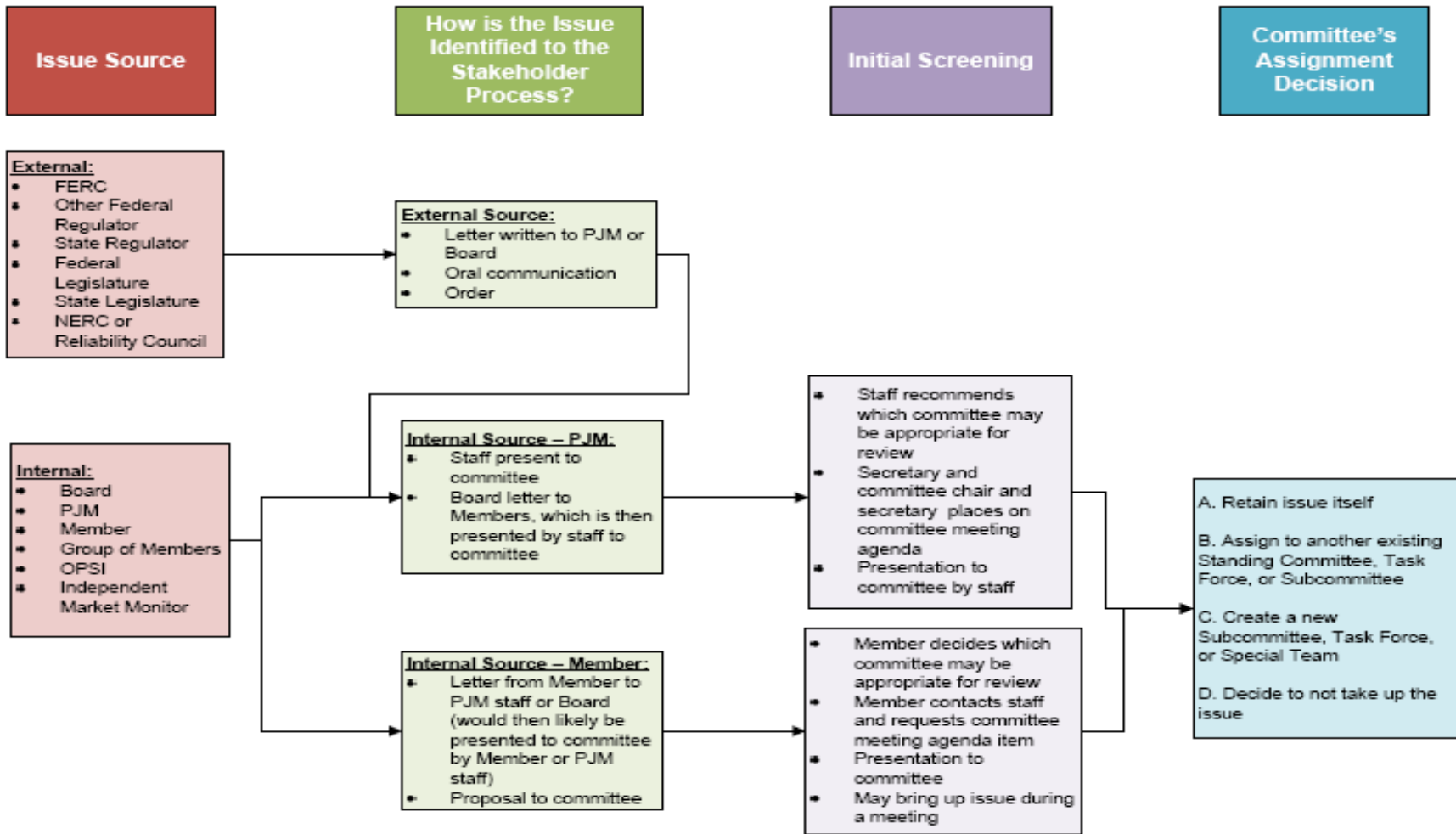
More efficient process for implementing tariff changes

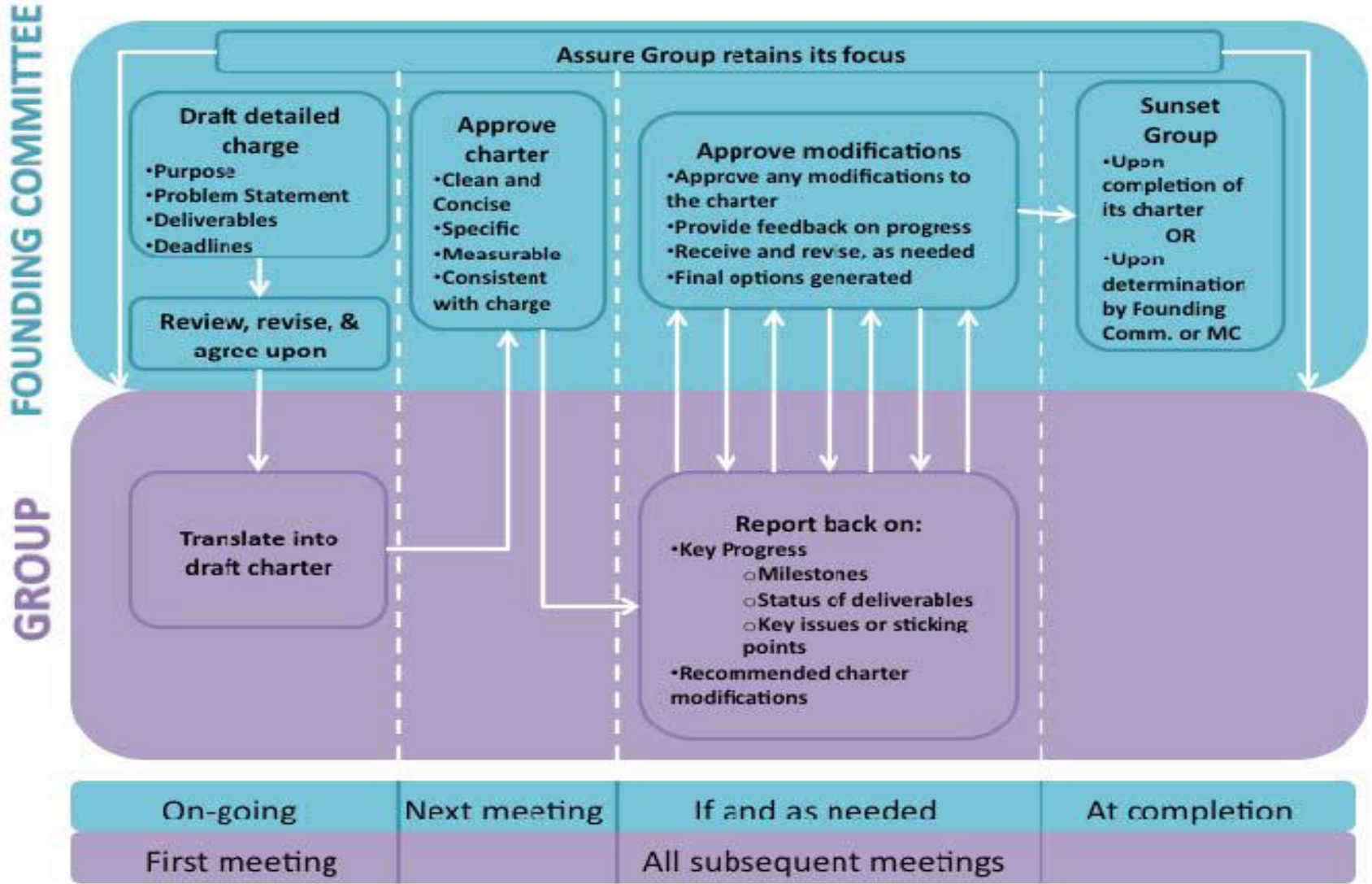
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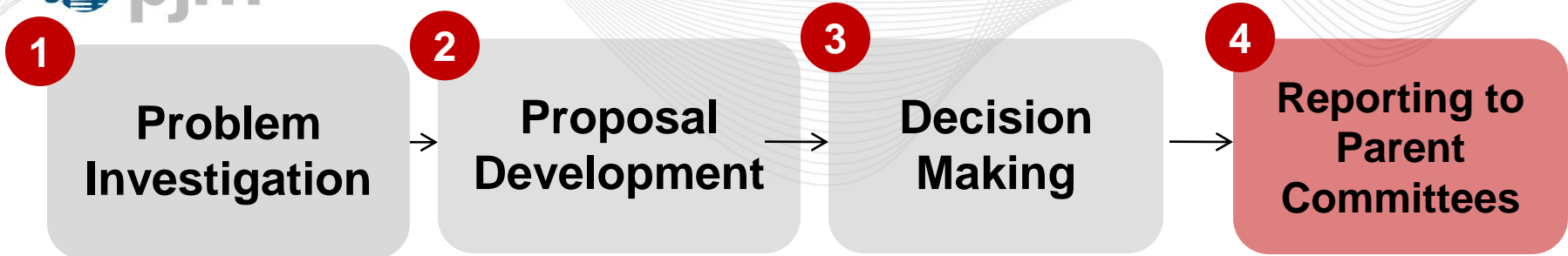


- Purpose of this Manual
- Definitions
- Purpose of the Stakeholder Process
- Roles and Responsibilities
- Structure of the Stakeholder Process
- ***Identification of Issues, Their Placement and Charging and Chartering Groups to Address Issues***
- ***Consensus Based Issue Resolution (Processes for Consensus Based Issue Resolution at the Task Force and Subcommittee Levels)***
- Consensus Based Issue Resolution at the Standing Committee Level (other than the Senior Standing Committees)
- Rules of Procedure for Senior PJM Committees (MC/MRC)
- ***Process for Review and Effective Dates of Governing Document Revisions***
- Additional Rules of Procedure
- Minority Rights
- Annual Work Planning
- Sector Protocols
- Transparency and Communication Between Board and Members
- Appendix I – Compliance Filing Protocol
- Appendix II – Sample Forms and Templates
- Appendix III – Process Charts
- Appendix IV – Facilitation Tool Box

Issue Identification and Stakeholder Group Placement Process







EXAMPLE Proposal Development

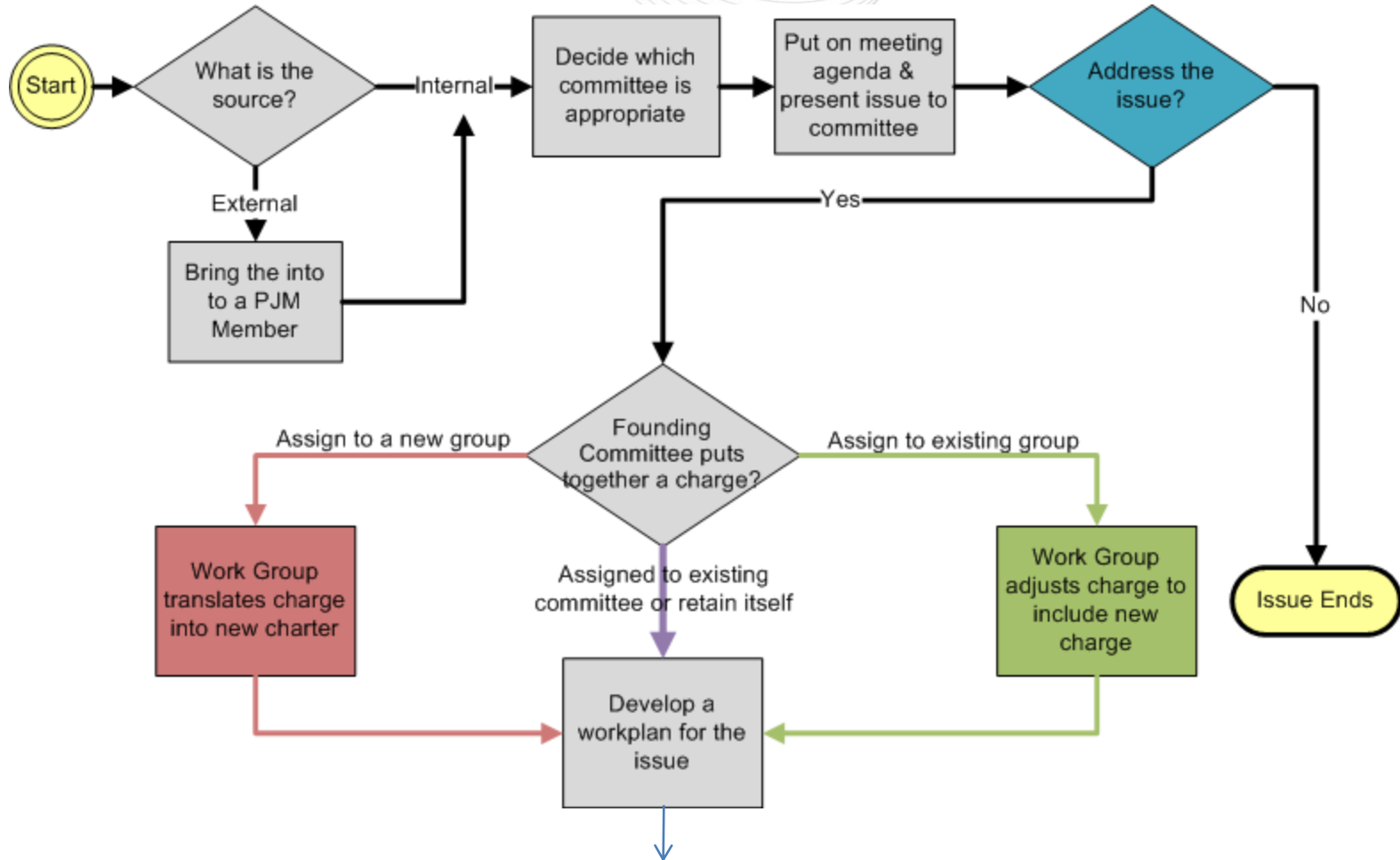
Collaborative Solution Development Matrix

Consensus Design Criteria (or Component)	Consensus Importance Level	Brainstormed Potential Component Solutions				
		A	B	C	D	E
1 Design Criteria 1	Medium	Potential Component Solution 1A	Potential Component Solution 1B			
2 Design Criteria 2	High	Potential Component Solution 2A	Potential Component Solution 2B	Potential Component Solution 2C	Potential Component Solution 2D	Potential Component Solution 2E
3 Design Criteria 3	Medium	Potential Component Solution 3A	Potential Component Solution 3B	Potential Component Solution 3C		
4 Design Criteria 4	Low	Potential Component Solution 4A	Potential Component Solution 4B			
5 Design Criteria 5	High	Potential Component Solution 5A	Potential Component Solution 5B	Potential Component Solution 5C	Potential Component Solution 5D	

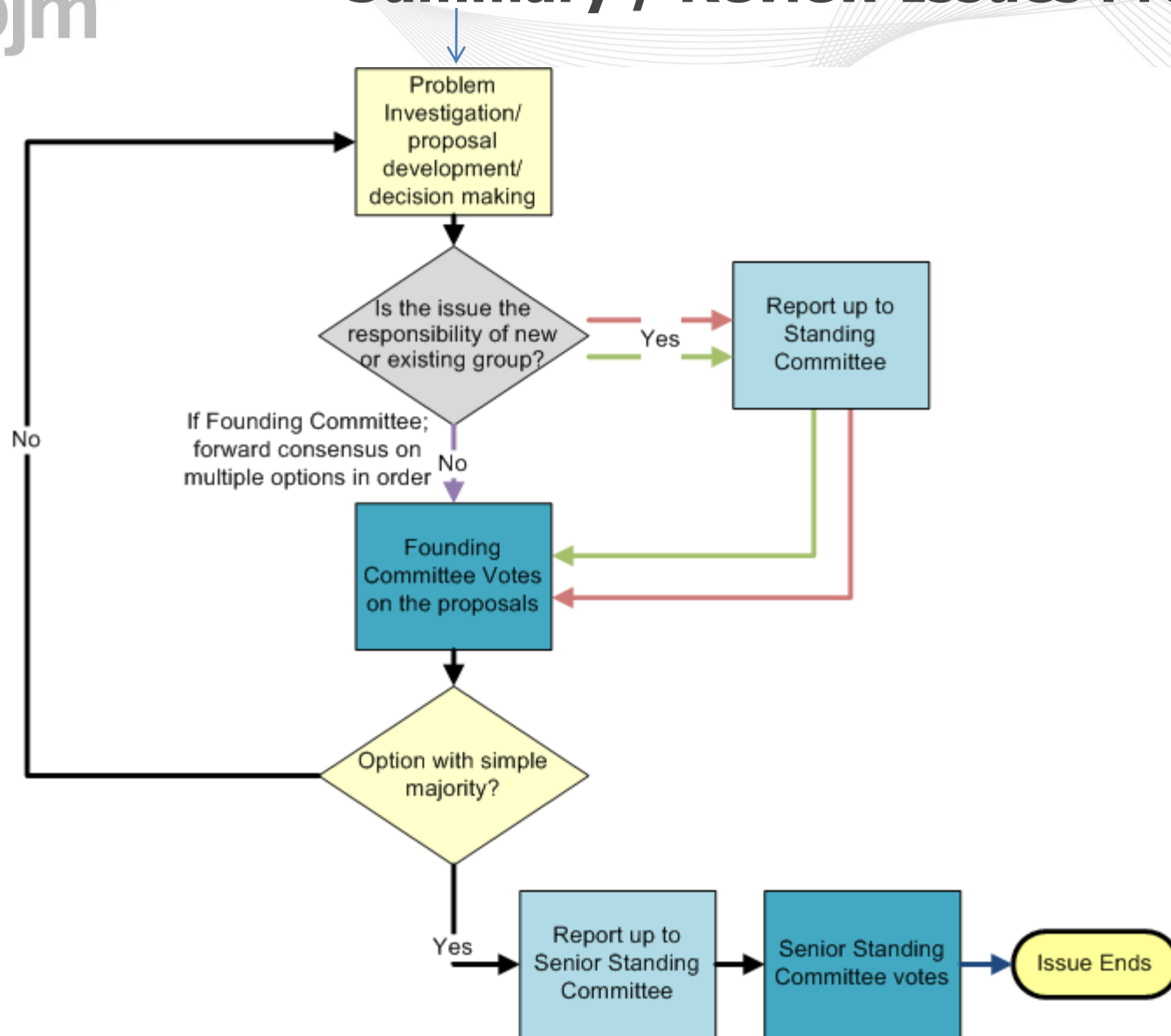
No Decision Criteria are developed, as individuals will differ on the valuation (as to which potential component solution is better and by how much)

Consensus Packaged Solution is: 1B/2C/3A/4B/5D

Principal applies to non-consensus decisions (Tier 2), with another package selected as an alternate (e.g. 1A/2B/3B/4A/5C)



Summary / Review Issues Process (2)



Sample Timeline for Review of Proposed Governing Document Revisions

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
SAMPLE					1	2
					3	4 Post draft proposed governing document revisions (10 business days)
10	11	12	13	14	15	16
17	18 Comments due from stakeholders (3 business days)	19	20	21 Post final draft governing document revisions (7 calendar days)	22	23
24	25	26	27	28 Meeting at which vote will take place	29	30
31	<p>Note: If PJM receives several conflicting comments, a conference call may be scheduled with 2 business days notice to resolve these issues.</p>					

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Issue Tracking

Welcome to PJM's new Issue Tracking Web page. Issue Tracking is a helpful feature that allows you to:

- View a comprehensive list of all significant issues affecting PJM and its members.
- Track a single issue across the PJM stakeholder process without searching numerous committee Web pages to monitor progress.

Here you will find up-to-date information that fully describes each issue and places it in context. Meeting materials and other associated documents are at your fingertips to explore issue details, to learn what solution alternatives have been identified and which are gaining stakeholder support, and to assess the impact of decisions made to date. You can check periodically on the status of issues you are interested in and track their progress through the stakeholder process toward completion.

Your feedback is needed to help make continued improvements to Issue Tracking. Please [let us know](#) what new features and capabilities would enhance Issue Tracking and aid your understanding of issues.



- Current Issues
- Closed Issues

- Promote Common Understanding of Issues
- Clear Problem Statement
- More Efficient Problem Solving
- Mechanisms for Seeking and Building Consensus
- Consistent Application of Rules for all Groups
- Greater Clarity & Separation of PJM's Multiple roles
- Clearer Responsibilities for All