

PJM's Governance Assessment Special Team June 10, 2009

Dr. Jonathan Raab, President
Raab Associates, Ltd. (MIT)

Patrick Field, Managing Director
Consensus Building Institute

Our Team

- Dr. Jonathan Raab, President, Raab Associates, Ltd. (Lecturer, MIT)
- Patrick Field, Managing Director, CBI
- Professor Lawrence Susskind, MIT Professor, CBI Founder, Author
- Kate Harvey, Associate, CBI
- Susan Rivo, Associate, Raab Associates

Our Relevant Process Expertise

- Stakeholder process evaluation and conflict assessment
- Stakeholder process design
- Mediation and facilitation
- Training and teaching

Our Relevant Substantive Expertise

- Energy and electricity policy, markets, and regulation
- Environmental and natural resource policy and planning
- Organizational and strategic planning including governance of multi-stakeholder organizations, groups, and coalitions

Jonathan Raab/Raab Associates

- Raab, President of Raab Associates (20 years), specializing in energy and electricity related multi-stakeholder processes
- Leading the New England Electricity Restructuring Roundtable over a decade
- Lecturer on energy policy at MIT
- Author of *Using Consensus Building to Improve Utility Regulation*
- PJM Mediation (and Arbitration) Rosters, U.S. EPA and Institute for Environmental Conflict Resolution

Pat Field/CBI

- Field, Managing Director of CBI (10 years), specializing in energy, environmental, and public policy multi-stakeholder processes
- Susskind, CBI Board member and founder, MIT Professor of Environmental Planning
- CBI Board, leading thinkers in the field
- Authors of *Breaking the Impasse, Dealing with an Angry Public, Breaking Roberts Rules of Order, the Consensus Building Handbook, others*
- On rosters of EPA, Institute for Environmental Conflict Resolution, others

Joint Raab/CBI Work

- U.S. DOE: Fossil Energy Merger and Consolidation Plan
- Jet Propulsion Lab: Assessment of Deep Space Network Antenna Allocation
- Vermont's Energy Future
- New England Energy Efficiency Partnership
- National Energy Policy Initiative
- FERC: Hydro-Relicensing Training Project
- Germany: Transmission and Renewables

Our Style

- Work closely and collaboratively with all stakeholders
- Immerse ourselves in your issues, challenges
- Focus on opportunities for mutual gain
- Independent and non-partisan
- Protect confidentiality

Our Approach: GAST/PJM Interface

- Work collaboratively w/GAST and PJM throughout process while maintaining independence and neutrality
- Face-to-face meetings
 - Kick-off (June 10): input on overall design, and interview strategy
 - Pre-interview (June 18): further input on approach
 - Post interview/pre-online survey (late July/ early August): debrief interviews, input on online survey strategy and questions
 - Post online survey (late August/early Sept.): debrief online survey, preview draft report w/findings & Phase II options
- Conference calls (or additional meetings)—as needed

Task I: Finalize Design and Interview Strategy

- Review GAST work to date and relevant FERC orders
- Fine tune overall design
- Develop interview strategy
 - Whom to interview
 - Interview questions

PJM Voting Members

<u>Sector:</u>	<u>Number</u>
Transmission Owners	15
Electric Distributors	35
End Use Customers	14
Generation Owner	62
Other Suppliers	224
Total Voting Members	350

Note: Based on PJM Website 5/14/09

Task II: Interviewees--Whom?

- Approximately 40 total
- Original proposal:
 - 6 from each sector—3 largest/most active, 3 others for distribution
 - Up to 10 other interviews (PJM, FERC, OPSI, etc.)
- Revised proposal:
 - Interview 30 regular GAST members evenly covering all sectors
 - Still also, up to 10 other interviews (PJM, FERC, OPSI, etc.)
- Get GAST input today on approach

Task II: Interviews--How?

- Raab and Field conduct all interviews supported by Harvey/Rivo
- By phone to maximize ease of scheduling and time with interviewees
- Interviews treated without attribution by name or organization and summarized by total population, but highlight any noted differences by sector

Observe PJM Member Meetings

- Observe half dozen or so member meetings at different levels
- Get GAST input today on meetings to observe

Approximate Annual PJM Member Meetings



Task III: Research Governance Alternatives

- Survey governance structures and procedures
 - Other U.S. ISOs/RTOs
 - Other comparable membership organizations
- Compare and contrast with PJM
- Review previous work by PJM on other ISOs
- Use CBI Board to help identify other useful complex membership type stakeholder processes

Task IV: Interim Report to GAST and Online Survey Design

- Share interview findings and research results with GAST
- Obtain input on online survey strategy and questions

Task V: Online Survey

- Offer survey to all PJM voting members (include affiliates?)
- Probably limit to one survey per organization
- Survey questions
 - Some of same questions from interviews
 - Structured feedback on various governance related modifications and alternatives
 - Survey will include both open response questions (qualitative) and scaled questions (quantitative)
- Survey open for limited timeframe. Send several reminders to each organization's primary contact.

Task VI: Wrap Up

- Draft final report
 - Findings from interviews, research, and online survey
 - Highlight areas of convergence and divergence—on perceptions of various issues and options for change
 - Options for Phase II (e.g., mediated process to develop consensus recommendations for improving governance structures and procedures)

GAST Approved Revised Schedule

	Week Beginning															
	8-Jun	15-Jun	22-Jun	29-Jun	6-Jul	13-Jul	20-Jul	27-Jul	3-Aug	10-Aug	17-Aug	24-Aug	31-Aug	7-Sep	14-Sep	
Tasks Phase I																
I. Start-up Interview design	X	X	X													
II. Interviews (40)				X	X	X	X									
III. Research Governance Alternatives					X	X	X									
IV. Report to GAST/Survey Design								X	X							
V. Member Online Survey (all)										X	X	X				
VI. Final Report & Wrap-Up													X	X	X	

GAST Input

- Overall design
- Meetings to observe
- Interview strategy
 - Issues/topics
 - Interviewees
- Future meetings

Approximate Annual PJM Member Meetings



Interview Issues/Topics Brainstorm

- What is a critical issue or topic for us to explore during our interviews?

Interviewees?

- Goal: Representative view across all PJM member sectors, plus other stakeholders
- Constraints: Approx. 40 interviews
 - 30 PJM members (6 per sector),
 - 10 other stakeholders (OPSI, PJM Board and senior staff/mgt., FERC, others?)

Interviewees (PJM Members)

- Options
 - Population to draw from
 - GAST Participants
 - PJM Membership as whole
 - Selection Method/Criteria
 - Frequency of participation
 - Size
 - Randomly selected
 - Self-selected by Sector (representative/whip)
 - Combination of above/other

PJM GAST

(organizations attending 1 or more GAST)

<u>Sector:</u>	<u>Number</u>
Transmission Owners	12
Electric Distributors	7
End Use Customers	5
Generation Owner	8
Other Suppliers	12
Total GAST Members	44

Interviewees (Other Stakeholders)

- OPSI
- PJM Board, Management, Senior Staff
- FERC
- Other?

Future GAST Meeting Dates

- June 18 (Interview questions/people)
- Late July/early August (interview findings, online survey strategy and questions)
- Early September (draft findings, options for Phase II)