

PJM Interconnection's governance, day-to-day operations and interactions with its members are outlined in a group of governing documents. These documents help ensure the reliability of the bulk electric system and effective administration of the region's wholesale power markets by defining the roles, responsibilities, authorities and obligations of PJM and its membership.

Because of the special role it plays in the operation of the power grid, PJM occasionally is mistaken for a regulatory agency. But it is not a regulator. Like many electric utilities, PJM is actually a regulated company. Its activities, like those of other regional grid operators, are overseen by the Federal Energy Regulatory Commission (FERC), and any changes to its governing documents require FERC approval.

PJM's governing documents are the **Open Access Transmission Tariff**, the **Operating Agreement**, the **Reliability Assurance Agreement** and the **Consolidated Transmission Owners Agreement**. They define the roles, responsibilities, authorities and obligations of PJM and its members.

A series of PJM Manuals details the operating, planning, accounting and administrative procedures that PJM and its members follow. The manuals provide the road map that guides PJM in carrying out the mission and functions established in the governing documents.

#### PJM's Governing Documents

- The Open Access Transmission Tariff mandates nondiscriminatory access to the region's high-voltage transmission system.
- The Operating Agreement establishes how PJM operates as a regional transmission organization.
- The **Reliability Assurance Agreement** establishes the obligations and standards for maintaining the reliable operation of the electric grid.
- The Consolidated Transmission Owners Agreement provides for the coordinated planning and operation of the high-voltage transmission system.

# **Open Access Transmission Tariff**

The Tariff includes the provisions for transmission service within the region. PJM and its transmission-owning members, as required by the Tariff, must provide market participants with open, nondiscriminatory access to the region's high-voltage transmission system to allow for fair and competitive wholesale electricity markets.

## **Operating Agreement**

To become a member of PJM, an organization must sign the Operating Agreement. It establishes how PJM operates as a regional transmission organization, as well as defines the roles and responsibilities of the PJM Board of Managers and the Members Committee. It also establishes the Office of the Interconnection, which carries out the provisions of the governing documents in managing PJM's operations, markets and planning.

## **Reliability Assurance Agreement**

The Reliability Assurance Agreement establishes the obligations and standards for maintaining the reliable operation of the electric grid in the PJM territory and must be signed by every Load Serving Entity in the PJM region. Load Serving Entities, or LSEs, are the organizations that deliver electricity to end-use customers. The agreement establishes terms for the procurement of adequate capacity resources, assistance during emergencies and planning for the future needs of the system.





### **Consolidated Transmission Owners Agreement**

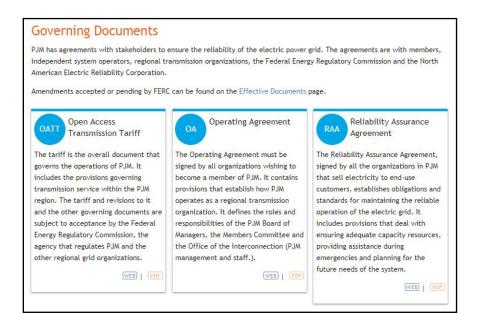
This <u>agreement</u> (PDF) is signed by the transmission-owning members of PJM. The agreement defines the obligations and standards for the coordinated planning and operation of high-voltage transmission assets in the PJM region, transfers certain planning and operating responsibilities to PJM, and helps to facilitate regional transmission service, as outlined in the PJM Tariff.

#### **PJM Manuals**

The PJM Manuals are the instructions, rules, procedures and guidelines established by PJM for the operation, planning and accounting requirements of PJM and its markets. PJM staff administers the manuals and routinely seeks stakeholders' endorsement of proposed changes. Manual 34, which covers the stakeholder process, includes a schedule for reviewing and updating the manuals, although staff conducts out-of-cycle updates as needed.

#### **Online Access**

PJM has developed <u>web-based versions</u> of the governing documents, which are easy to access and search (see image below). The <u>PJM Manuals</u> also are available on PJM's website.



Jan. 7, 2025

