

191 FERC ¶ 61,202
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Mark C. Christie, Chairman;
David Rosner, Lindsay S. See,
and Judy W. Chang.

PJM Interconnection, L.L.C.

Docket No. ER25-2399-000

ORDER GRANTING WAIVER REQUEST

(Issued June 17, 2025)

1. On May 30, 2025, pursuant to Rule 207(a)(5) of the Commission's Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (PJM) submitted a request for waiver of section 7.1 of its Amended and Restated Operating Agreement (Operating Agreement) to allow PJM additional time to implement the process to reconvene the Nominating Committee and to identify and nominate candidates for the two vacancies on the PJM Board of Managers (Board), until September 25, 2025.² As discussed below, we grant PJM's waiver request.

I. Background

2. Section 7.1 of the Operating Agreement requires elections for the Board to be held at each Annual Meeting of the Members for the purpose of selecting a person to fill the seat of a Board Member whose term is expiring.³ Section 7.1 of the Operating Agreement also provides, in relevant part:

Should the Members Committee fail to elect a full PJM Board from the nominees proposed by the Nominating Committee, then the Nominating Committee shall propose a further nominee from the list prepared by the independent consultant (or a replacement consultant) for each remaining vacancy on

¹ 18 C.F.R. § 385.207(a)(5) (2024).

² Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Operating Agreement.

³ PJM, Operating Agreement, § 7.1 (Composition) (1.0.0), § 7.1.

the PJM Board for consideration by the Members at the next regular meeting of the Members Committee.⁴

II. Waiver Request

3. PJM states that, in accordance with section 7.1 of the Operating Agreement, it held elections for the Board during the May 12-14, 2025 Annual Meeting, but the Members did not elect a full Board.⁵ Specifically, PJM states that two incumbent Board candidates were nominated by the Nominating Committee for reelection, but these candidates were not elected by the Members.⁶ PJM asserts that there are several significant factors that will hinder the Nominating Committee from complying with section 7.1 of the Operating Agreement prior to the next regular meeting of the Members Committee, which is scheduled for June 18, 2025.⁷

4. PJM explains that section 7.2 of the Operating Agreement requires that Board members have expertise and experience in certain pertinent areas.⁸ PJM states that because the Members Committee did not reelect two incumbent Board Members possessing certain expertise, the independent consultant's search must be expanded. In particular, PJM asserts that the list of potential candidates must be reexamined in light of the loss of qualifications of the two incumbent Board Members that were unexpectedly not reelected.⁹ In addition, PJM states that appropriate background checks and further due diligence must now be conducted on the potential Board nominees.¹⁰

5. PJM states that it and the Nominating Committee will need more time beyond the June 18, 2025 Members Committee meeting to properly fulfill their responsibilities.¹¹ Therefore, PJM requests waiver of section 7.1 of the Operating Agreement to postpone the vote to elect Board Members until the regularly scheduled September 25, 2025

⁴ *Id.*

⁵ Waiver Request at 1-2.

⁶ *Id.* at 1-2.

⁷ *Id.* at 3.

⁸ *Id.* (citing PJM, Operating Agreement, § 7.2 (Qualifications) (1.0.0), § 7.2).

⁹ *Id.*

¹⁰ *Id.* at 4.

¹¹ *Id.* at 2.

Members Committee meeting.¹² PJM asserts that the requested waiver will ensure that appropriate due diligence is completed prior to nomination and give the Members Committee sufficient time to consider the nominees prior to voting.

6. PJM contends that its waiver request satisfies the Commission's criteria for granting waiver.¹³ First, PJM states that it is submitting the waiver request proactively and prospectively to address the limited time available for the Nominating Committee to propose further nominees by the June 18, 2025 Members Committee meeting.¹⁴ PJM argues that the waiver request is a good faith effort to ensure that the Nominating Committee and the Members Committee are provided sufficient time to consider potential nominees to the Board.

7. Second, PJM argues that the requested waiver is of limited scope because it will only apply until the September 25, 2025 Members Committee meeting for the limited purpose of identifying and performing due diligence on the potential nominees to the Board.¹⁵

8. Third, PJM argues that the waiver addresses a concrete problem.¹⁶ PJM contends that the Nominating Committee does not have a proper amount of time to find two replacement Board Members to fill the current vacancies by the next regularly scheduled June 18, 2025 Members Committee meeting. PJM explains that the need for specific expertise in regional transmission organization matters, as required by section 7.2 of the Operating Agreement, requires reexamination of the independent consultant's previous list of candidates and of the desired skills and experience.

9. Finally, PJM argues that the waiver request would not have undesirable consequences, such as harm to third parties.¹⁷ PJM contends that granting the requested waiver will benefit PJM and PJM Members, serve the public interest, and ensure that the Nominating Committee has sufficient time to consider the expertise and skills of the applicable Board candidates, perform the necessary background checks and due diligence, and identify a replacement nominee in accordance with section 7.1 of the Operating Agreement.¹⁸ PJM states that the

¹² *Id.* at 4.

¹³ *Id.*

¹⁴ *Id.* at 5.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.* at 5-6.

Board and PJM are not limited in their ability to perform their necessary functions during the interim period.¹⁹

10. PJM requests that the Commission grant the waiver request no later than June 17, 2025, to provide clarity to PJM and its Members regarding the nominating process for prospective Board Members in advance of the June 18, 2025 Members Committee meeting.²⁰

III. Notice and Responsive Pleadings

11. Notice of PJM's filing was published in the *Federal Register*, 90 Fed. Reg. 24118 (June 6, 2025), with interventions and protests due on or before June 9, 2025. American Municipal Power, Inc., Constellation Energy Generation, LLC, Electric Power Supply Association, PJM Industrial Customer Coalition, PPL Electric Utilities Corporation, Shell Energy North America (US), L.P., and Solar Energy Industries Association filed timely motions to intervene. On June 10, 2025, Dominion Energy Services, Inc. and Rockland Electric Company filed out-of-time motions to intervene.

IV. Discussion

A. Procedural Matters

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

13. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant Dominion Energy Services, Inc.'s and Rockland Electric Company's late-filed motions to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

B. Substantive Matters

14. We grant PJM's request for waiver of section 7.1 of the Operating Agreement to allow PJM additional time to implement the process to reconvene the Nominating Committee and to identify and nominate candidates for the two vacancies on the Board, until September 25, 2025. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable

¹⁹ *Id.* at 6.

²⁰ *Id.*

consequences, such as harming third parties.²¹ We find that the circumstances of PJM's waiver request satisfy these criteria.

15. First, we find that PJM acted in good faith because it submitted the waiver request proactively to ensure that the Nominating Committee and the Members Committee are provided additional time to consider potential nominees to the Board.

16. Second, we find that the waiver request is limited in scope because the waiver will only apply until the September 25, 2025 Members Committee meeting for the limited purpose of identifying and performing due diligence on the potential nominees to the Board.

17. Third, we find that the requested waiver addresses a concrete problem. PJM explains that there are several significant factors that will hinder the Nominating Committee from complying with section 7.1 of the Operating Agreement prior to June 18, 2025, including needing to identify additional potential candidates that satisfy the expertise and experience requirements of section 7.2 of the Operating Agreement and conducting appropriate background checks and further due diligence.²² We find that the requested waiver will provide the Nominating Committee additional time needed to properly fulfill its responsibilities in finding two replacement Board Members with the required expertise and also provide the Members Committee additional time to consider nominees prior to voting.

18. Finally, we find that the requested waiver does not result in undesirable consequences, such as harm to third parties. PJM asserts that it and the Board will not be limited in their ability to perform their necessary functions during the interim period.²³ In addition, we note that no party opposes the waiver request.

The Commission orders:

PJM's waiver request is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

²¹ See, e.g., *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

²² Waiver Request at 3, 5.

²³ *Id.* at 6.