195 FERC ¶ 61,230
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

PJM Interconnection, L.L.C. Docket No. ER26-2487-000

ORDER GRANTING WAIVER REQUEST

(Issued June 22, 2026)

1. On May 7, 2026, 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 sections 7.1 and 7.3(c) of its Amended and Restated Operating Agreement (Operating Agreement) to allow additional time, until September 24, 2026, for the Nominating Committee to identify and nominate candidates for a vacancy on the PJM Board of Managers (Board), and for the Board to forgo the process for selecting a temporary replacement for the vacancy.[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 (Annual Meeting) 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) (2025).

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

[3] PJM, Intra-PJM Tariffs, OA, § 7.1 (Composition) (1.0.0).

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

3. Section 7.3(c) of the Operating Agreement provides, in relevant part:

> Vacancies on the PJM Board occurring between Annual Meetings of the Members shall be filled by vote of the then remaining Board Members; a Board Member so selected shall serve until the next Annual Meeting at which time a person shall be elected to serve the balance of the term of the vacant Board Seat.[5]

II. <u>Waiver Request</u>

4. PJM states that, on May 1, 2026, it announced the appointment of David E. Mills as the permanent President and Chief Executive Officer of PJM, and, as a result, his resignation as an elected voting member of the Board became effective on April 30, 2026.[6] PJM explains that this resignation occurred 11 days prior to the upcoming Annual Meeting taking place May 11-13, 2026.[7]

5. PJM contends that the Nominating Committee and its independent consultant will need sufficient time to find a potential replacement who fulfills the necessary qualifications as set forth in section 7.2 of the Operating Agreement and perform due diligence, including a background check.[8] PJM explains that the list of nominees prepared by the independent consultant will need to be reexamined, since the vacancy was not known when the list was compiled.[9] PJM states that it does not anticipate that such work can be completed by the next regular meeting of the Members Committee on June 24, 2026.

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[4] *Id.*

[5] *Id.* § 7.3 (Term of Office) (1.0.0), § 7.3(c).

[6] Waiver Request at 1 (citing *PJM Board Names David E. Mills as PJM President and CEO*, PJM Inside Lines (May 1, 2026), https://insidelines.pjm.com/pjm-board-names-david-e-mills-as-pjm-president-and-ceo/).

[7] *Id.* at 1-2.

[8] *Id.* at 2.

[9] *Id.* at 5.

6. Accordingly, PJM requests waiver of section 7.1 of the Operating Agreement to extend the time for nomination and consideration of a replacement Board Member beyond the Annual Meeting on May 11-13, 2026 and the next scheduled Members Committee meeting on June 24, 2026, until the September 24, 2026 regular Members Committee meeting, at the latest.[10] Additionally, PJM requests waiver of section 7.3(c) of the Operating Agreement, which requires the Board to temporarily fill vacancies that occur between Annual Meetings.[11] PJM explains that there was insufficient time to identify a qualified candidate and perform the necessary due diligence before the Annual Meeting. Furthermore, PJM states that after the Annual Meeting, selecting a temporary replacement would prevent selection of a permanent replacement for an entire year.[12]

7. PJM contends that its waiver request satisfies the Commission's criteria for granting waiver.[13] First, PJM states that the waiver request is being submitted in good faith and that a diligent search for a qualified candidate and associated background check will require an extension of the time provided in section 7.1 of the Operating Agreement.[14] PJM asserts that it submitted this waiver request as soon as possible after the vacancy became known.

8. Second, PJM argues that the waiver request is of limited scope because PJM seeks a one-time waiver of sections 7.1 and 7.3(c) of the Operating Agreement to postpone the Members Committee vote by approximately four months to provide time to identify and consider a replacement.[15] PJM contends that the requested waiver will not affect the operations of the Members Committee or the Board nominating process.

9. Third, PJM asserts that the waiver request addresses concrete problems: (1) the inability of the regular nominating and election process to occur for the vacancy; (2) the need to identify and perform a background check for a potential nominee; and (3) the need to provide sufficient time for the Members Committee to consider the nominee.[16]

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[10] *Id.* at 2-3, 6.

[11] *Id.* at 3.

[12] *Id.* at 5.

[13] *Id.* at 6.

[14] *Id.* at 6-7.

[15] *Id.* at 7.

[16] *Id.*

10. Finally, PJM argues that granting the waiver request will not have undesirable consequences, such as harm to third parties.[17] PJM states that the consequence of the waiver request will be to allow the Members Committee to have sufficient time to consider the nominee to the Board. PJM reiterates that neither PJM nor the Board is limited in its ability to perform necessary functions during the interim period. Furthermore, PJM contends that the public interest will be served by allowing the Nominating Committee to identify a replacement nominee in accordance with section 7.1 of the Operating Agreement.[18]

III. Notice and Responsive Pleadings

11. Notice of PJM's waiver request was published in the *Federal Register*, 91 Fed. Reg. 25875 (May 12, 2026), with interventions and protests due on or before May 28, 2026. American Electric Power Service Corporation; Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM; Public Citizen, Inc.; and Rockland Electric Company filed timely 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 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

13. We grant PJM's request for waiver of sections 7.1 and 7.3(c) of the Operating Agreement to allow additional time, until September 24, 2026, for the Nominating Committee to identify and nominate candidates for a vacancy on the Board, and for the Board to forgo the process for selecting a temporary replacement for the vacancy. 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 consequences, such as harming third parties.[19] We find that the circumstances of PJM's waiver request satisfy these criteria.

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[17] *Id.*

[18] *Id.* at 7-8.

[19] *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).

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

15. Second, we find that the waiver request is limited in scope because it will allow a four-month extension, until September 24, 2026, for the limited purpose of identifying and performing due diligence on the potential nominees to the Board.

16. Third, we find that the requested waiver addresses a concrete problem. PJM explains that there are several significant factors supporting the need for waiver; specifically, the inability of the regular nominating and election process to occur for the vacancy; the need to identify and perform a background check for potential nominees; and the need to provide sufficient time for the Nominating Committee to consider potential nominees.[20] We find that the requested waiver will provide the Nominating Committee additional time needed to properly fulfill its responsibilities in finding a replacement Board Member with the required expertise, as well as additional time for the Members Committee to consider the nominee prior to voting.

17. 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.[21]

<u>The Commission orders</u>:

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

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.

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[20] Waiver Request at 7.

[21] *Id.*