

PJM “Term Sheet(s)” on Stakeholder Process / Governance Reform

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PJM is in need of a package of reforms that would enable PJM to act with greater **speed/efficiency** while maintaining a platform that operates **transparently** and allows for **all voices to be heard**. Greater definition of roles and responsibilities of PJM and the states (including the District of Columbia) as well as improved alignment between PJM, stakeholders and states is needed. Reforms should ultimately strengthen PJM's **independence**, which will strengthen our **public interest** commitment to the 67 million consumers we serve.

Align Authority with Accountability

Increase PJM and State Alignment

Strengthen Independence

Increase Speed and Efficiency

Strengthen Commitment to Public Interest

Actionable and Legally Durable Reforms

- FERC Rule 606 “Confidentiality in Dispute Resolution Proceedings”
- PJM has posted two term sheets
 - Term Sheet 1 provides space to keep working until the 30th
 - Term Sheet 2 is PJM’s position if we had the vote today
- Room for amendment between now and the 30th

- PJM would obtain 205 filing rights over E&AS (Schedules 1 and 2) and Planning (Schedule 6, 6-A and 6-B)
- Members would have “jump ball” rights over E&AS
- Members and States would have “jump ball” rights over Resource Adequacy

- Elimination of MRC and streamlining of lower committee work
- Two additional expedited stakeholder processes
- Furnish and fund independent counsel for Members Committee

- Additional funding for OPSI
- Two seats on the Nominating Committee with the opportunity for an additional independent appointee
- Jump ball 205 rights over resource adequacy (Reliability Assurance Agreement and Attachment DD changes) and execution of Memorandum of Understanding

- Creation of Joint Steering Committee consisting of PJM, Members and States to set priorities for coming year
- Presentation of those priorities to Members for feedback and approval
- Sets the table for following year's work in the stakeholder process with the possibility of “injects”

- Commitment to produce a more tangible record when the Board makes independent decisions
- Extend Board terms to 4 years (3 maximum terms with an allowance for partial terms)

- Addition of public interest mandate to OA Section 7.7
- Development of Impact Statement (cost/benefits, public interest, wholesale/retail interrelation) through solicitation of feedback that will accompany Board materials for independent decisions
- For any Markets or Planning proposal being considered in a Standing Committee for which the approved Issue Charge indicated a requirement for a cost impact analysis, the proposer must provide independent analysis performed by themselves or a third-party of potential cost impacts before that proposal may be voted.