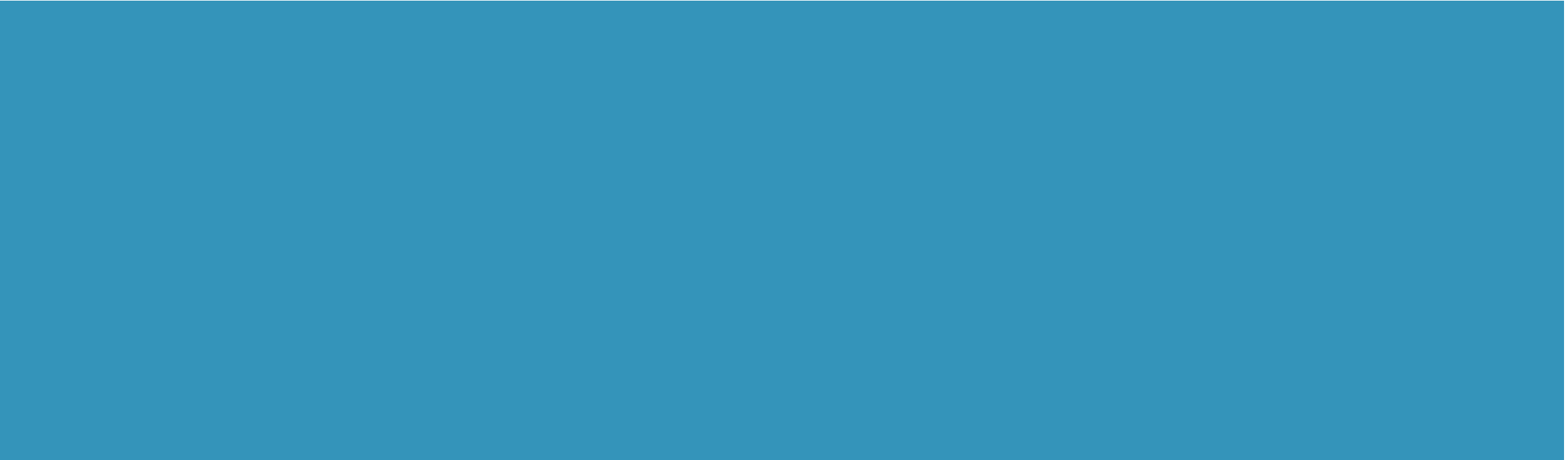




Governance Term Sheet from Members

2026 September 24 and 30



Member Objectives

- Address concerns articulated by FERC:
 - Align with PJM's Vision and Mission
 - Enable PJM to respond quickly to resource adequacy challenges
 - Improve speed, efficiency, and effectiveness in the stakeholder process at PJM
 - Ensure the PJM staff and Board independence
 - Ensure all stakeholders, including states, are provided a meaningful and structured opportunity to provide input

Vision

To be the electric industry leader – today and tomorrow – in reliable operations, efficient wholesale markets, and infrastructure planning.



Mission

As the primary task, to ensure the safety, reliability and security of the bulk electric power system.

Understand customer needs and deliver valued service to meet those needs in a cost-efficient manner.

Create and operate robust, competitive and non-discriminatory electric power markets.

Achieve productivity through the efficient union of superior knowledge workers and technology advances.

Member Proposal

- Create a Joint Steering Committee to prioritize work annually and ensure adherence to the work plan
- Stakeholder process improvements including:
 - Two new expedited processes
 - Plan for reforms for additional efficiency
 - Establish an independent counsel to streamline MC processes
- Revise the committee structure to eliminate the Markets and Reliability Committee, eliminate any duplication in the committees, and align voting at all levels to sector-weighted manner of acting at the Members Committee

Member Proposal

- Increase state participation by expanding OPSI membership to include the executive branch and to specify that OPSI can make proposals on equal footing with PJM or Member proposals
- Include state participation with one voting seat on the Nominating Committee for the PJM Board
- Create a “Jump Ball” avenue for states and members on resource adequacy matters
- Assign a Board member to each jurisdiction for periodic conversations on state priorities and other pressing PJM matters
- Add a “public interest” mandate to the Operating Agreement

Member Proposal

- PJM gains (and Members retain) Section 205 filing rights over Schedules 1 and 2 of the Operating Agreement
- Schedule 6 of the Operating Agreement moves to the Tariff
 - Commitment for planning processes to remain public
- Extend Board terms to 4 years with 3 total terms of service and add a preference for PJM residency,
- Improve Board transparency with additional information about decision making, market impacts of changes, and use of independent consultants