One-Page Summary of Changes to Governance Provisions Since 11.6.26

&

Table Tracking Redlines to Governance Provisions from 10.16.26 to 11.11.26 by Term

Summary of Updates Since Second Page Turn (as reflected in voting package)

TERM 1 I 205 Filing Rights – Energy & Ancillary Services and Transmission Planning (pp. 2-9)

- Minor revisions to better match same concepts in 9.2(iii) [j&r and preferable] and 9.2(v) [PJM independence] per members' 11.2.26 agreed upon language (no change to meaning/intent)

TERM 3 I Revise PJM Committee Structure (pp. 10-23)

- Delete additional ref to MRC and replace with MC in OA, 7, 1.2; parallel revisions deleting refs to MRC and replacing with MC in OA, Sched. 1, sections 1.5A and 8.9 (identical to Tariff Att. K, 1.5A and 8.9)
- Broadened new OA, 8.8(xii) to be more generic and subsume concepts in OA, 8.8(xiii); Deleted what was previously new OA, 8.8(xiii); revised numbering to account for deletion of 8.8(xiii)

TERM 7 I State Participation in PJM Process (pp. 34-35)

- Revising Tariff, Schedule 9-OPSI (c)(i); new Tariff, Schedule 9-OPSI (c)(ii) and (c)(iii)
- Budget up to $15M for reconstituted OPSI in 2027; ref to acceptance of governance changes in docket, adjustment of 15% becomes 5%

TERM 1 I 205 Filing Rights – Energy & Ancillary Services and Transmission Planning (38-174 (RTEP MOVE-OA) 175-605 (RTEP MOVE-TARIFF))

Specified which OA revisions from EL24-119 and Tariff revisions from ER24-2338 to effectuate move of OA Sched. 6, et al. to Tariff Sched. 19, et al. (changes limited to moving definitions, changing references to OA Schedule 6 to Tariff Schedule 19, removing ADR references to OA Schedule 5 and CTOA and replacing with ADR provisions in Tariff).

- **OA:** TOC, Definitions (C-D, E-F, I-L, M-N, O-P, Q-R, S-T)
- **OA Sections:** 7.7, 10.2.1, 10.4, 11.4
- **OA Schedules:** 6 (Title Page), 6, 6-A, 6-B, 6-C [note 6-C not yet effective]
- **Tariff:** TOC, Definitions (C-D, E-F, I-J-K, L-M-N, O-P-Q, R-S, T-U-V)
- **Tariff Sections**: 15.4, 16.1, 17.2, 28.2, 29.2, 31.6, 31.6.03A, 212.3, 212.4, 212.6, 213.3, 213.4, 216, 217.4, 217.5, 221.1, 221.2, 230.1, 236.2, 237.4, 300 (Definitions R, U), **305**, 314, 323, 324, 326, 328, 330, 336, 337, Section 400 (Definitions R, U), 411, 421, 422, 424, 426, 428, 434, 435, 500, IX Subpart B, IX Subpart B – Appendix 2 Section 22, Subpart H – Appendix 2)
- **Tariff Schedules:** 19, 19-A, 19-B, 19-C [note 19-C not yet effective]
- **Tariff Attachments:** P (Appendix 2, Section 21.1), U, GG (Appendix II), KK, LL

TERM 1 I 205 Filing Rights – Energy & Ancillary Services and Transmission Planning (pp. 2-9; pp. 38-605 (RTEP move))

TERM 1 205 Filing Rights & Jump Ball Schedule 1 & 2	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
Sched. 1 and 2 205 Rights: In exchange for PJM agreeing to and implementing the changes set forth below in Section 6 subject to FERC acceptance/approval, and addition to the Membership's current 205 rights, PJM also have Section 205 of the Federal Power Act (FPA) rights over changes to the following schedules of the PJM Operating Agreement (these rights will be set forth in Section 10.4 of the OA): ○ Schedule No. 1 ("PJM Interchange Energy Market") ○ Schedule No. 2 ("Components of Cost")	OA, section 10.5(i) [NEW] OA, section 8.8 [REV] (conforming changes)	Did not add "Nothing in this section shall limit the powers of the Members Committee to act in accordance with section 11.5(b)."	
Sched 1 and 2 Jump Ball: Any separate Member and PJM 205 filings pertaining to similar issues associated with Schedule 1 or Schedule 2 presented within a 10 business day period shall be considered to be a jump ball filings. **Sched 1 and 2 Jump Ball:** The implication of a jump ball filing is that: both proposals would have equal footing under Section 205, the Commission will not be required to consider whether the then-existing filed rate is unlawful, and the Commission may adopt either proposal that it finds to be just and reasonable	OA, section 10.5(ii)(B) [NEW]	Per Vistra/Members' proposal: Replacement language - Operating Agreement Section 10.5(ii)(B) (last sentence): The Commission will not be required to consider whether the then-existing filed rate is unlawful, and may adopt the entirety of: (1) the Office of the Interconnection's proposal, or (2) the alternative proposal, provided that the Commission finds in its discretion that the selected proposal is just and reasonable and preferable.	Minor revisions to better match same concept in 9.2(iii) per members' 11.2.26 agreed upon language (no change to meaning/intent)

TERM 1 205 Notice Provisions Schedules 1 and 2	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
PJM would be required to provide 30 days' notice to the membership of any proposed 205 filings with respect to energy and ancillary service market design changes, except in the case of imminent harm to system reliability or imminent severe economic harm to electric consumers, in which case PJM would provide at least 24 hours' notice.	OA, section 10.5(ii)(A) [NEW] [Sched 1 and 2]	No change. To explain in transmittal: 10 days okay, so long as effective date later than 60 days	
TERM 1 PJM Independence	**10.16 REDLINES**	**AFTER FIRST PAGE TURN**	**AFTER SECOND PAGE TURN**
PJM Independence: PJM shall not provide a preference to any individual, company, member, or state or district, or group thereof, in the exercise of its Section 205 authority. Adherence to the jump ball provisions of Section 6 is not a prohibited preference.	OA, section 10.5(i) [NEW] Tariff, section 9.2(h) [NEW]	Moved to 9.2(v)	Minor revisions to better match same concept in 9.2(v) per members' 11.2.26 agreed upon language (no change to meaning/ intent)
TERM 1 TEAC	**10.16 REDLINES**	**AFTER FIRST PAGE TURN**	**AFTER SECOND PAGE TURN**
New language would be added to section 8.6 of the Operating Agreement to include the TEAC as a permanent committee established in the Operating Agreement.	OA 8.6, [REV] Tariff Sched. 19 1.3 [Moved, REV]		

While only PJM may propose under Section 205 revisions to (existing) OA, Schedule 6, Section 1.3 (Establishment of Committees), any such proposed revision to that Section would require the agreement of a 2/3 sector-weighted vote of the Members Committee.	Tariff, section 9.2(a) [REV]	Revised per members agreed upon language section 9.2(iv) [NEW]	
TERM 1: Move RTEP To Tariff	**SUMMARY OF CONFORMING CHANGES**		
Tariff, 205 Filing Rights to PJM, RTEP: The following provisions shall be moved to the OATT: ○ Schedules No. 6 ("Regional Transmission Expansion Planning Protocol") ○ Schedule No. 6-A ("Interregional Transmission Coordination Between the SERTP and PJM Regions"); and ○ Schedule No. 6-B ("Interregional Transmission Coordination Between PJM, New York Independent System Operator, Inc. and ISO New England Inc.") Moved to Tariff, Schedules 19, 19-A, 19-B, 19-C [NEW] Sched. 19, 1.3 [Moved, REV]	Specified which OA revisions from EL24-119 and Tariff revisions from ER24-2338 to effectuate move of OA Sched. 6, et al. to Tariff Sched. 19, et al. (changes limited to moving definitions, changing references to OA Schedule 6 to Tariff Schedule 19, removing ADR references to OA Schedule 5 and CTOA and replacing with ADR provisions in Tariff). Changes impact: **OPERATING AGREEMENT (pp. 38-174)** **OA:** TOC, Definitions (C-D, E-F, I-L, M-N, O-P, Q-R, S-T) **OA Sections**: 7.7, 10.2.1, 10.4, 11.4 **OA Schedules**: 6 (Title Page), 6, 6-A, 6-B, 6-C **TARIFF (pp. 175-605)** **Tariff:** TOC, Definitions (C-D, E-F, I-J-K, L-M-N, O-P-Q, R-S, T-U-V), **Tariff Sections**: 15.4, 16.1, 17.2, 28.2, 29.2, 31.6, 31.603A, 212.3, 212.4, 212.6, 213.3, 213.4, 216, 217.4, 217.5, 221.1, 221.2, 230.1, 236.2, 237.4, 300 (Definitions R, U), 305, 314, 323, 324, 326, 328, 330, 336, 337, Section 400 (Definitions R, U), 411, 421, 422, 424, 426, 428, 434, 435, 500, IX (Subpart B, Subpart B – Appendix 2, Section 22, Subpart H – Appendix 2), **Tariff Schedules:** 19, 19-A, 19-B, 19-C **Tariff Attachments:** P (Appendix 2, Section 21.1), U, GG (Appendix II), KK, LL		

MANUALS:

Stakeholder Process: With respect to these schedules **[Schedules 1, 2, 6, 6-A, 6-B, 6-C],** PJM will endeavor to present its proposals in the stakeholder process by developing a problem statement/issue charge

TEAC/Transmission Planning: The language would further guarantee a planning process open to all interested persons consistent with law and FERC regulations, including an adequate opportunity for PJM and TOs to consider and comment on criteria, needs, and proposals. It would also address confidentiality.

TERM 2 I Revise Manual 34 To Improve Stakeholder Process Efficiency and To Include Additional Expedited Stakeholder Processes

[Changes not in Governing Docs]

TERM 3 I Revise PJM Committee Structure (pp. 10-23)

TERM 3	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
PJM proposes to eliminate the Markets and Reliability Committee as duplicative and refine the lower standing committees to make them more effective, subject to appropriate Committee approval. Work is duplicated in lower committees and their corresponding standing committees, especially when proposal development and votes are required at both levels.	OA Definitions [REV] OA sections 8.6, 8.1.1, 8.8 [REV] OA section (vi-xv) 8.8 [NEW] OA Sched. 7, section 1.2 [REV] Tariff Att. DD, section 13 [REV] Tariff Att. K., sections 8.9, 1.5A.11 [REV] RAA Definitions [REV] RAA Arts. 1.D, 6, 7.7, 8.2 [REV] RAA Sch. 1.D Sch 11 [REV]	Corrected typo OA 8.8 (p. 627): "The Members Committee shall **not** have authority to control…"	Delete additional ref to MRC and replace with MC in OA, 7, 1.2; parallel revisions to OA, Sched. 1, sections 1.5A and 8.9 (identical to Tariff Att. K, 1.5A and 8.9) Broadened new OA, 8.8(xii) to be more generic and subsume concepts in OA, 8.8(xiii); Deleted what was previously new OA, 8.8(xiii); revised numbering to account for deletion of 8.8(xiii)

Manuals: PJM proposes to refine the voting structure at the lower committees (that require a vote) to align with the Members Committee sector-weighted voting framework. For transparency purposes, PJM will publish voting reports of affiliate voting results.

TERM 4 I Extend Board Terms (pp. 24-26)

TERM 4 Board Term, cooling off period, preference for candidate in PJM region, Board state assignment	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
A preference will be given to qualified candidates that reside within the PJM region.	OA section 7.2 [REV]		
PJM would extend the term of Board service to four years, with the opportunity for two renominations (for a total of three terms, with an additional allowance for Board members who served a partial term). Members will develop and approve a transition mechanism. PJM also proposes to reduce the "cooling off" period to one year for Board appointments to allow for additional qualified candidates to be considered in the nomination process (note that restrictions on financial interests would remain).	OA section 7.3(a) [DELETE, Reserved] OA section 7.3(b) [REV] OA section 7.3(d) [NEW] OA section 7.3(e) [NEW]		

Board Governance: "Each state has a Board member assigned for periodic conversations on state priorities and other pressing PJM matters."

TERM 5 I Advance Board Transparency

[Changes not in Governing Docs]

TERM 6 I "Jump Ball" 205 Filing Rights Over Resource Adequacy (pp. 27-33)

TERM 6 ATTACH. DD JUMP BALL	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
Jump Ball Attach DD, Members: PJM would include, as an alternative to its own FERC filing, any proposal supported by a 2/3 sector-weighted supermajority of the Members Committee that pertains to the Reliability Assurance Agreement and Attachment DD of the Tariff.	Tariff, section 9.2(f)(i)(a) [NEW] 9.2(a) [REV] RAA Art. 6 [REV]	Reflects 11.2.26 members agmt Moved 9.2(f), (g), (h) to 9.2(a)(i), (ii), (iii), (iv), (v) "PJM may" in 9.2(a)(ii), (ii)(A) and (ii)(B) OA 10.4(xxiv) (new language)	
Jump Ball Attach DD, OPSI: To the extent that OPSI makes a proposal pertaining to the Reliability Assurance Agreement and Attachment DD that satisfies the following conditions: (i) the matter has an approved problem statement/issue charge; (ii) the states execute a Memorandum of Understanding memorializing the shared responsibilities and roles between the states and PJM over reliability and resource adequacy (to be filed at FERC), and (iii) the proposal receives a supermajority 2/3 sector-weighted vote by the Members Committee, PJM would include such proposal as an alternative to its own FERC filing. The Members must support their jump ball proposal.	Tariff, section 9.2(f)(i)(b) [NEW] section 9.2(a) [REV] [as long as CTOA sec. 7.5.1 there is a provision recognizing jump ball then ok, takes away impress TOs controlling this]		
Safety/Reliability ATT. DD: If the PJM Board determines that either the OPSI proposal or the Member proposal would compromise the safety or reliability of the bulk electric system of the PJM region, it would not be required to make the filing with FERC. In that case, PJM shall append its analysis and the OPSI or Member proposal to the PJM filing, and PJM's determination to not file such proposal shall be subject to FERC review.	Tariff, section 9.2(f)(ii) [NEW] section 9.2(a) [REV] RAA Art. 6 [REV]		

TERM 7 I State Participation in PJM Process (pp. 34-35)

TERM 7 OPSI Increase in Funding	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
PJM would support increased funding for a reconstituted OPSI, recognizing not only the addition of the executive branch, but also the need for greater engagement in the stakeholder process.	Tariff Schedule 9-OPSI [REV]		Revising Tariff, Schedule 9-OPSI (c)(i) and Tariff, Schedule 9-OPSI (c)(ii) and (c)(iii) [new] Budget up to $15M for reconstituted OPSI in 2027; ref to acceptance of governance changes in docket, adjustment of 15% becomes 5%

Manuals:

PJM proposes to increase state participation in PJM in two ways. First, PJM will work with the states to enhance OPSI to include a structure such that each state speaks with one voice through OPSI.

Second, PJM proposes to specify that OPSI can make a proposal on equal footing with any Member proposal or any PJM proposal.

TERM 8 I State Participation in PJM Process (p. 36)

TERM 8 Nominating Committee	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
PJM supports the addition of a state appointee to the Nominating Committee with the understanding that precedent in this area suggests that the Members Committee should approve this change. The Nominating Committee participants must be able to abide by the Master Charter without violating any applicable law.	OA section 7.1 [REV]	Replaced OPSI with [the state organization that is the umbrella organization that includes governors collaborative and Organization of PJM States, Inc. TBD] (removed duplicate prec. on page 97 of page turn)	

Master Charter: Conforming revisions

TERM 9 I Annual Prioritization Process and Work Plan

[Changes not in Governing Docs]

TERM 10 I State Participation in PJM Process (p. 37)

Term 10 State Participation	10.16 REDLINES	AFTER FIRST PAGE TURN	AFTER SECOND PAGE TURN
PJM supports the addition of a public interest mandate to Section 7.7 of the Operating Agreement – "operate in the public interest consistent with the FPA"	OA section 7.7 [REV]	(removed duplicate prec. on page 98 of page turn)	

Master Charter/Board Gov Docs/Manuals:
On matters of significance that could necessitate independent action by the Board of Managers related to changes to governing documents on Markets and Planning, PJM will develop for the Board of Managers an "Impact Statement" of proposals for the Board's review. This document will be made available to stakeholders prior to submittal to the Board
of Managers. Conceptually, this document will endeavor to include the following sections:
o Key drivers of costs and anticipated benefits that consider the observable impacts of major decisions on Markets and Planning (including any stakeholder analyses);
o Assessment of the extent of how the proposal serves the public interest – both short term and long-term; and
o Information related to how decisions can affect the mechanics of competitive retail electricity markets, such as timing of processes or established arrangements (PJM will seek stakeholder input to incorporate into impact statement).