PJM Stakeholder Process Training

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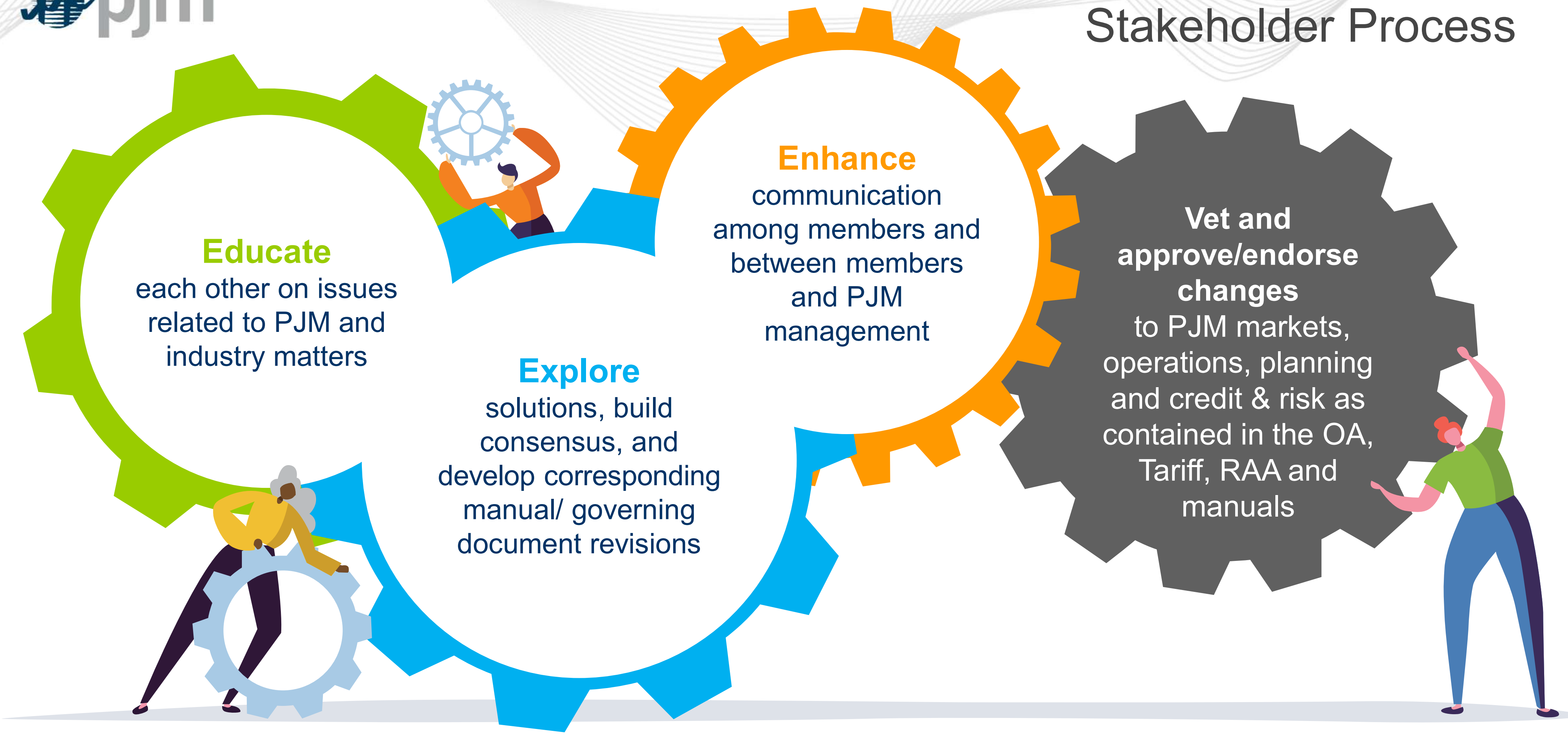
October 17, 2025

Agenda

PJM Stakeholder Process Training	
• Purpose of the Stakeholder Process • PJM and Governing Documents • Governance Structure, Membership and Sectors • Stakeholder Process Overview • Issue Initiation Process • Mutual Gains Theory	• Consensus Based Issue Resolution (CBIR) • Introduction to Decision-Making • CBIR Process Illustration • Alternative Processes and Procedures • Engaging in PJM's Stakeholder Process • Voting and Roster Manager Tool Demo

Purpose of the Stakeholder Process



PJM and Governing Documents

OA

HIGHLIGHTS

- Sets up the corporation and operational rules
- Governance
- Contains interchange energy market rules, RTEP protocol

Of Particular Interest:

SECTIONS:	
7	Board
8	Members Committee
9	Officers
10	Office of the Interconnection
11	Members

SCHEDULES	
1	Energy Market
2	Components of Cost
5	Dispute Resolution
6	RTEP Protocol
18	Confidentiality Rules (section 18.17)

Open Access Transmission Tariff

OATT HIGHLIGHTS

- Based on pro forma FERC Tariff
- Rates, terms and conditions of service

Of Particular Interest:

ARTICLES:

II	Point-to-Point Transmission Service
III	Network Integration Transmission Service
IV	Generation Deactivation
VI	New Service Requests

ATTACHMENTS:

DD	RPM	M	Market Monitoring
H	Zonal Transmission Rates	Q	Credit Policy
HH	PJM Settlements		
K	Appendix – Energy Market		

SCHEDULES:

9	Administrative Service Fees

RAA HIGHLIGHTS

- "…ensure that adequate Capacity Resources… will be planned and made available to provide reliable service to loads…in a manner consistent with the development of a robust competitive marketplace"
- Creates obligations for Load Serving Entities (LSE)

Of Particular Interest:

ARTICLE:

7	Determination of Capacity Obligation

SCHEDULES

4	Forecast Pool Req.
5	Forced Outage Rates
7	DR/EE
8.1	Fixed Resource Req.

Consolidated Transmission Owners Agreement – **CTOA**

CTOA

HIGHLIGHTS

- Establishes rights and commitments of PJM vis-à-vis TOs
- Facilitates the coordination of planning and operation
- Transfers certain planning and operating responsibilities to PJM

Of Particular Interest:

ARTICLE:

7	TO Filing Rights
8	TOA – Administrative Committee

JOA

HIGHLIGHTS

- Agreements between PJM and neighboring FERC jurisdictional utilities (e.g., MISO)
- Includes information and data sharing, coordination of power flows between regions, outage coordination, joint operating during emergencies, coordinated transmission planning, and congestion management, etc.

Implementing Documents

Other

MANUALS

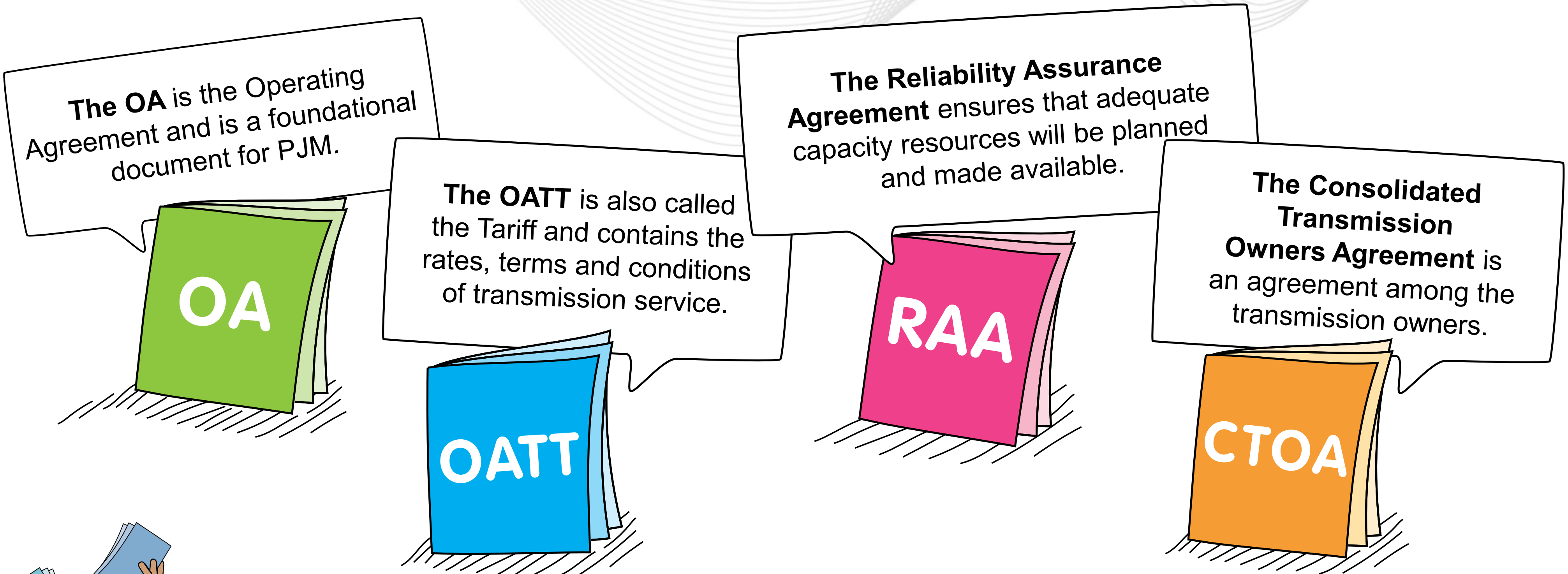
Manuals *(Energy, Ancillary Services and Capacity Markets, RTEP, Transmission Planning, Accounting & Billing, Admin., etc.)*

- Most endorsed by MRC
- PJM responsibility
- M15 & M34 have different path

NON-MANUAL DOCUMENTS

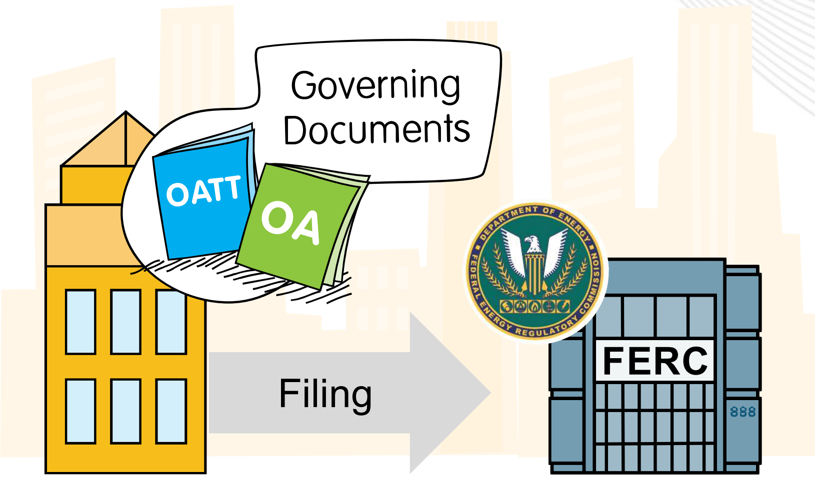
- Congestion Management Protocol
- Regional Practices Document

PJM's Governing Documents



Joint Operating Agreements between PJM and each of our neighboring FERC-jurisdictional transmission-providing utilities to address cooperation and coordination

FPA Section 205



Filing Entity

Requires:

Public utilities to file with the Commission all rates and charges for any transmission or sale subject to the jurisdiction of the Commission.

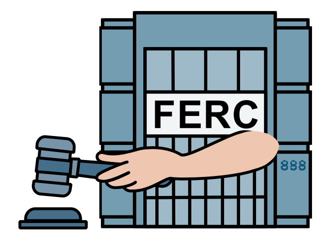
That tariffs, rate schedules, service agreements and contracts relevant to services offered must be filed at FERC.

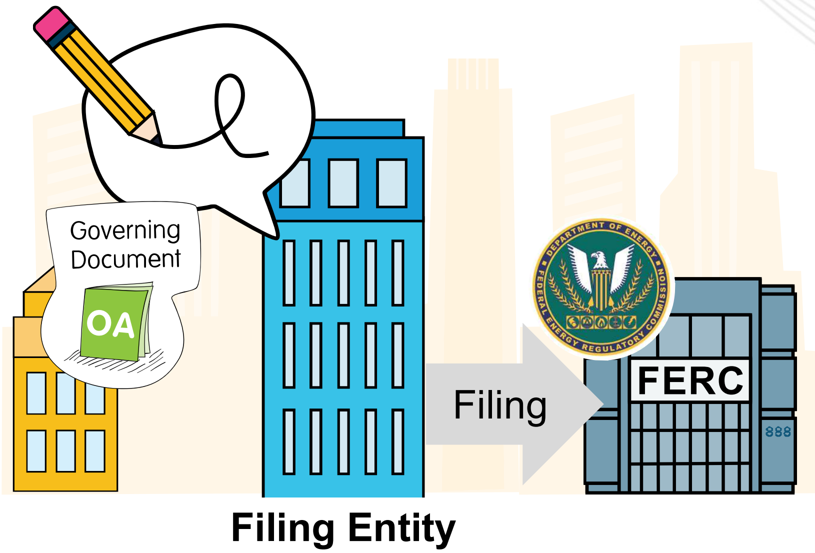
To approve the filings, the Commission must find that the rates are:

Just and reasonable

+

Not unduly discriminatory or preferential





Allows the Commission to modify rates upon its own initiative or upon motion or complaint by another party.

Requires that in order to modify or replace the filed rate, the proponent of a change to the filed rate must meet a dual burden of:

Establishing that:

First	Second
The Current Rate is unjust and unreasonable.	**The Alternative Rate** proposal is just and reasonable.

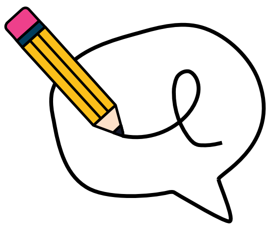
It is not sufficient to simply claim an alternative is superior to the current rate.

Who Can File Under 205 & 206?

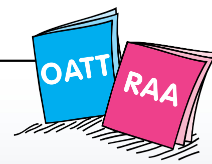
Who can amend & under what FPA section:

	OA	TARIFF	RAA
Section 205	**Requires 2/3 endorsement** by Members Committee (MC) to amend under FPA 205	**PJM can file without 2/3 endorsement of MC** and any stakeholder process. **TOs have filing rights** over certain aspects of the Tariff.	**Only the PJM Board** has the ability to approve filing proposed amendments. PJM typically seeks endorsement through the stakeholder process.
Section 206	If 2/3 endorsement is not achieved: **PJM Board** can authorize PJM to file. **Others can seek changes** through filing a complaint.	**Others can seek changes** through filing a complaint.	**Others can seek changes** through filing a complaint.

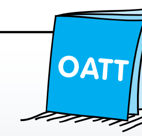
Examples of OA, Tariff and RAA Changes



Energy & Ancillary Services Markets
OA Schedule 1 and Tariff Attachment K Appendix



Capacity Market
Tariff Attachment DD and RAA



Credit Policy
Tariff Attachment Q

Interconnection Process
Tariff Sections IV and VI

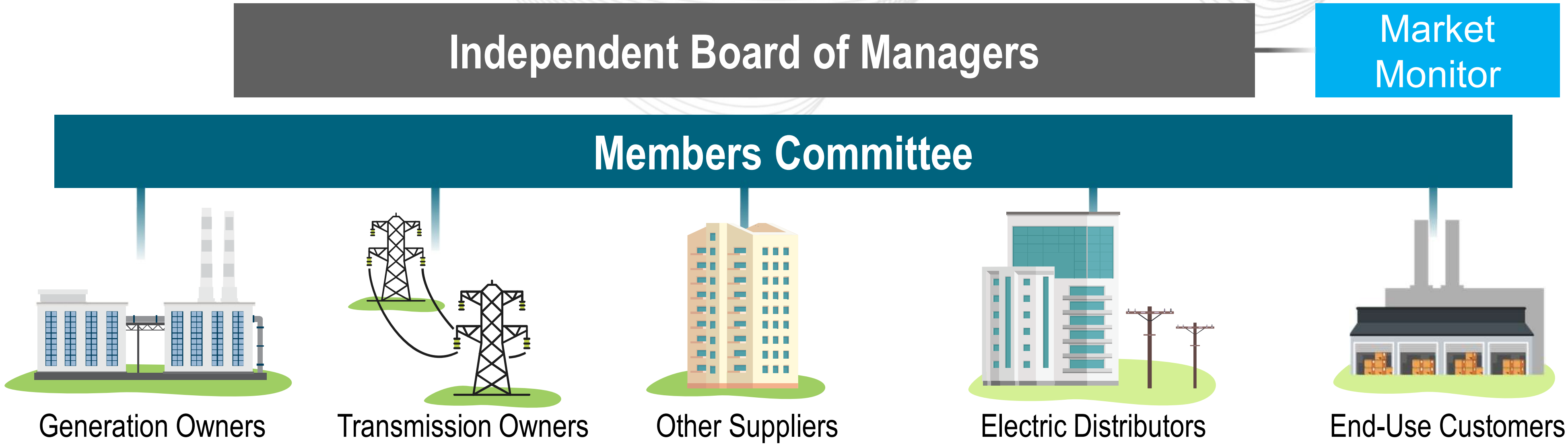
Who Can File Under 205 & 206?

Who can amend & under what FPA section:

	CTOA	JOAs
Section 205	**Only parties to the CTOA**	**PJM can file without 2/3 endorsement of MC.** *JOAs are agreements between PJM and other FERC-regulated entities. Revisions to the JOAs are reviewed with stakeholders but are not voted upon.* ***Only PJM and the other parties may file revisions.***
Section 206	**Others can seek changes** through filing a complaint.	**Others can seek changes** through filing a complaint.

Governance Structure, Membership and Sectors

Independence and Governance Process



- Independent Board of Managers
- Stakeholder process – provide balanced stakeholder input

Typical Member Types by Sector

Generation Owners

Members owning/controlling generation within PJM's footprint:

- Generation affiliates of vertically integrated utilities
- Merchant generation owners
- End-use customers with generation and capacity exceeding load and obligation

Transmission Owners

Members owning transmission within PJM's footprint:

- Vertically integrated utilities
- Pure transmission owners
- Merchant transmission owners

Electric Distributors

Transmission-dependent utilities:

- Municipal utilities
- Co-operatives

End-Use Customers

End-users within PJM's footprint:

- Large commercial & industrial customers
- Consumer advocates

Other Suppliers

Members engaged in our markets that do not qualify in another sector:

- Curtailment service providers
- Financial product participants
- Wholesale power marketers
- Generation owners outside PJM
- Transmission owners outside PJM
- Competitive load serving entities
- Generation or transmission developers *(before projects are in service)*

Sector Functions

1 **Sector Selection** → New Members initial selection → Existing Members sector recertification and change requests

2 **Sector Usage**

Committee representation (Finance Committee, Liaison Committee, etc.)

Senior Standing Committee voting

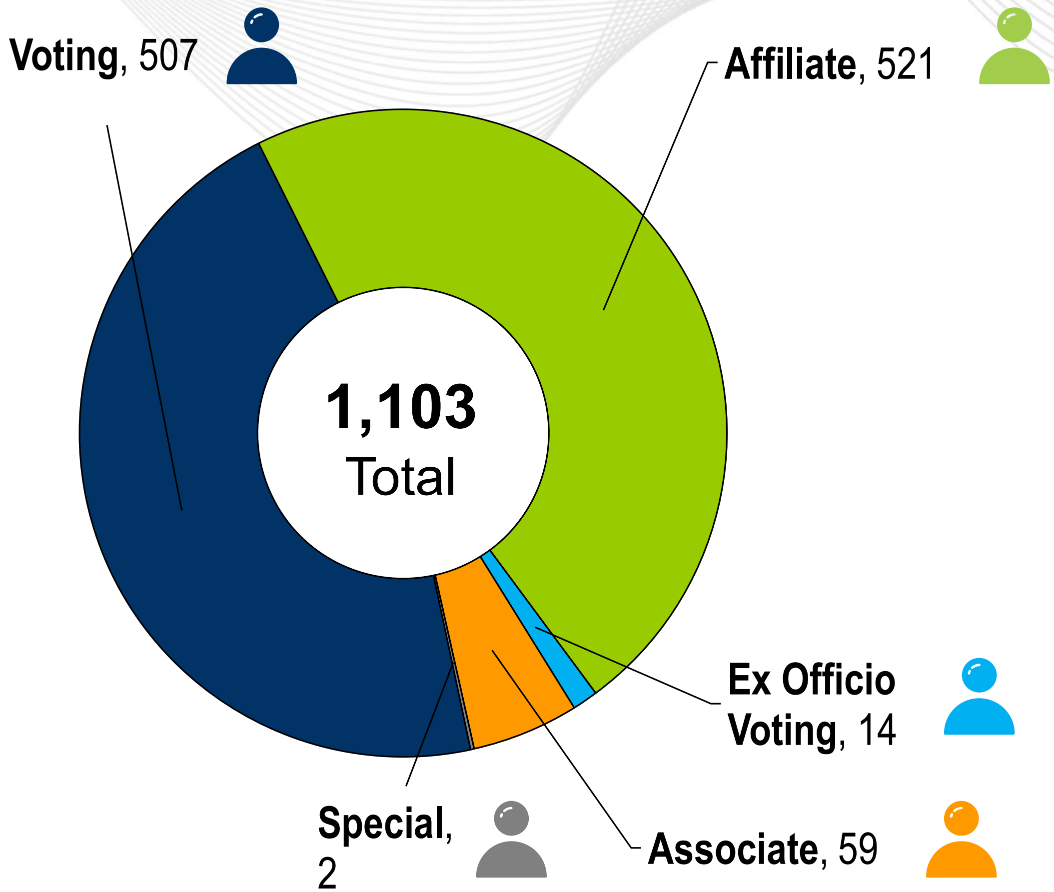
Membership Types

	Voting Members	Affiliate Members	Ex Officio Voting Members	Associate Members	Special Members (Emergency Customer Load Reduction Program)
Market Participation	✔	✔	✘	✘	✔
Voting Rights	✔	✔	✔	✘	✘

All can participate in PJM stakeholder activities and trainings.

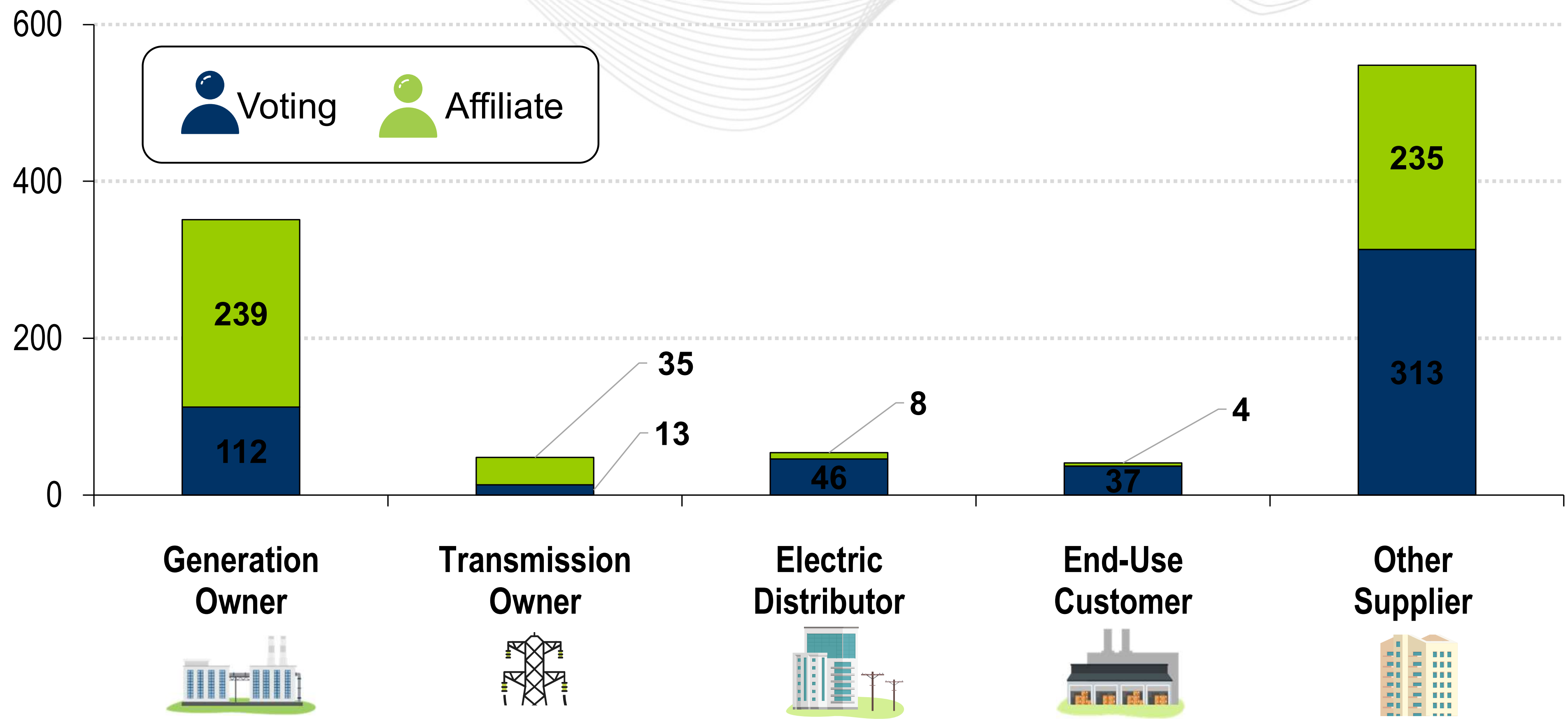
Member Types

(as of October 16, 2025)



Voting Status by Member Sector

(as of October 16, 2025)



Knowledge Check #1

Stakeholder Process Overview

Stakeholders *See M34 Section 4.1, 4.3 and 4.4*

IMM	**OPSI**	**Media**
State & Federal Regulators		
Industry Groups	**Members**	**PJM as a Non-member**

PJM *See M34, Section 4.2*

Secretary
Organization, logistics, procedure

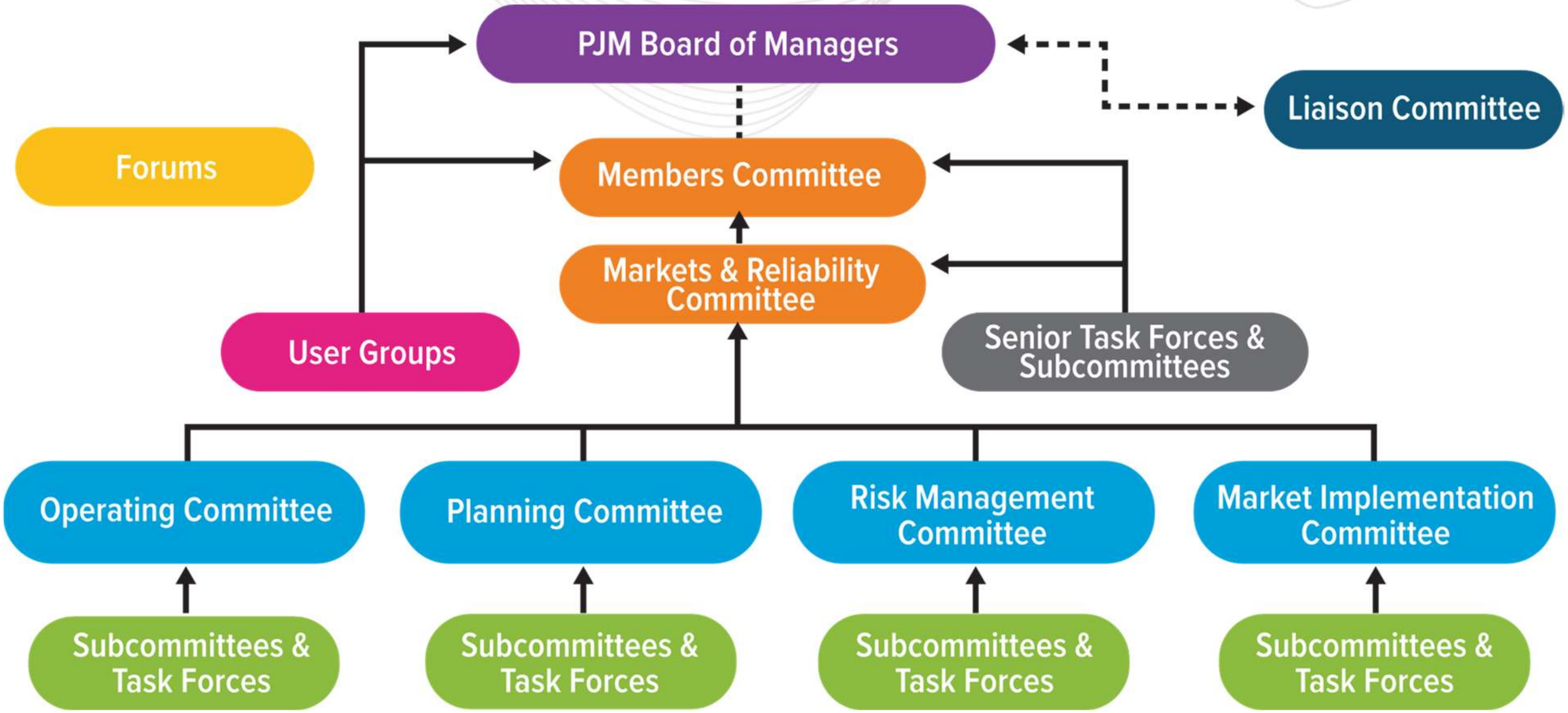
Facilitator/Chair
- Neutral facilitation
- Responsible for process

Subject Matter Experts
Providing expertise

Advocates
Advocating for PJM's positions

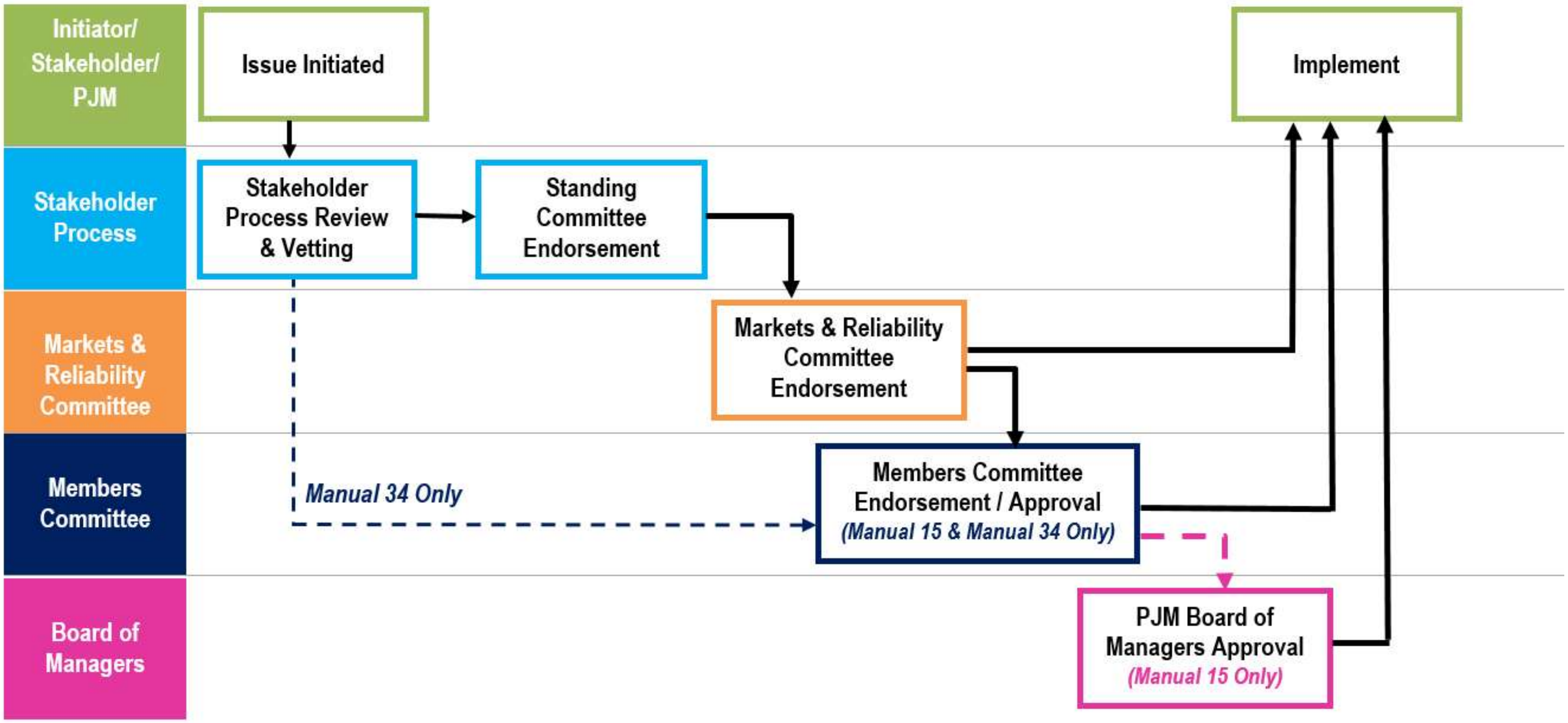
PJM wears multi hats – diverse participant with different purposes

Stakeholder Process Groups

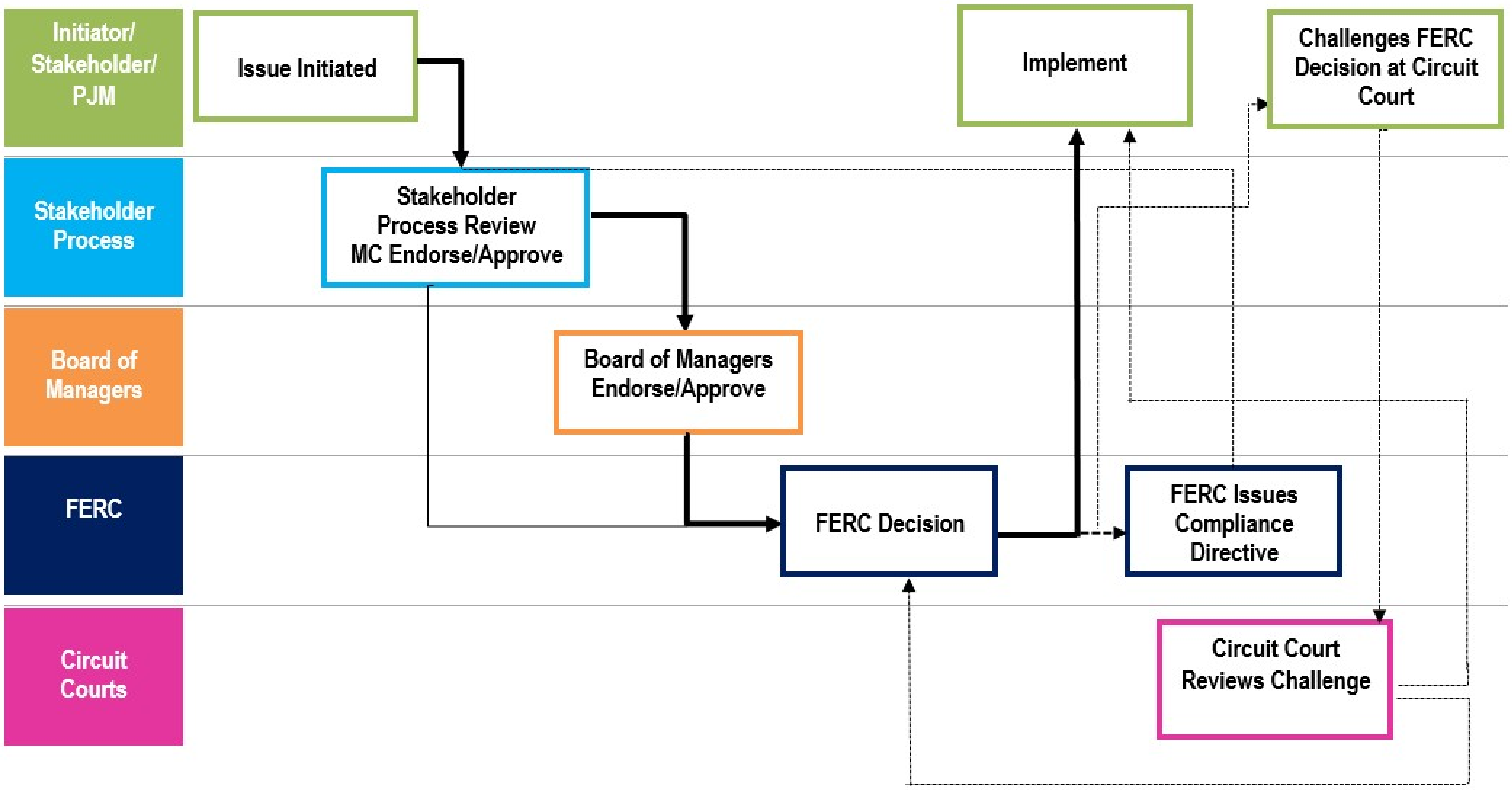


Reference: [*Committee Structure Diagram*]

Manual Change Process



Governing Document Change Process



Issue Initiation Process

Initiation of New Issues

Source:

How is the Issue Identified in the Stakeholder Process?

Initial Screening

Ultimate Decision-Making

External

- Letter written to PJM/Board
- FERC Order
- NERC or Reliability Council Standard

Internal

- Presentation by PJM or Member to the committee
- Board Letters to Members

Initial Screening:

- Recommendation of which committee should review
- Issue place on committee meeting agenda and present to committee

Ultimate Decision-Making:

Committee approves the issue and assigns it to an existing or new stakeholder group for work

Or

Committee decides to not take up the issue

Problem Statement/Charge/Charter

PROBLEM STATEMENT → **ISSUE CHARGE** → **CHARTER**

PROBLEM STATEMENT

A clear statement of:

- The problem or issue
- The situation to be improved
- The opportunity to be seized
- Why it warrants consideration in the PJM stakeholder process

ISSUE CHARGE

May serve as Charter for new (Senior) Task Forces. Captures logistical details for the intended work including:

- Objectives of the Stakeholder Group
- Expected overall duration of work
- Milestones and deadlines
- Administrative details
- Priority and timing of work
- Assignment of the issue
- Decision-making method
- Determination if Issue Charge will serve as Charter

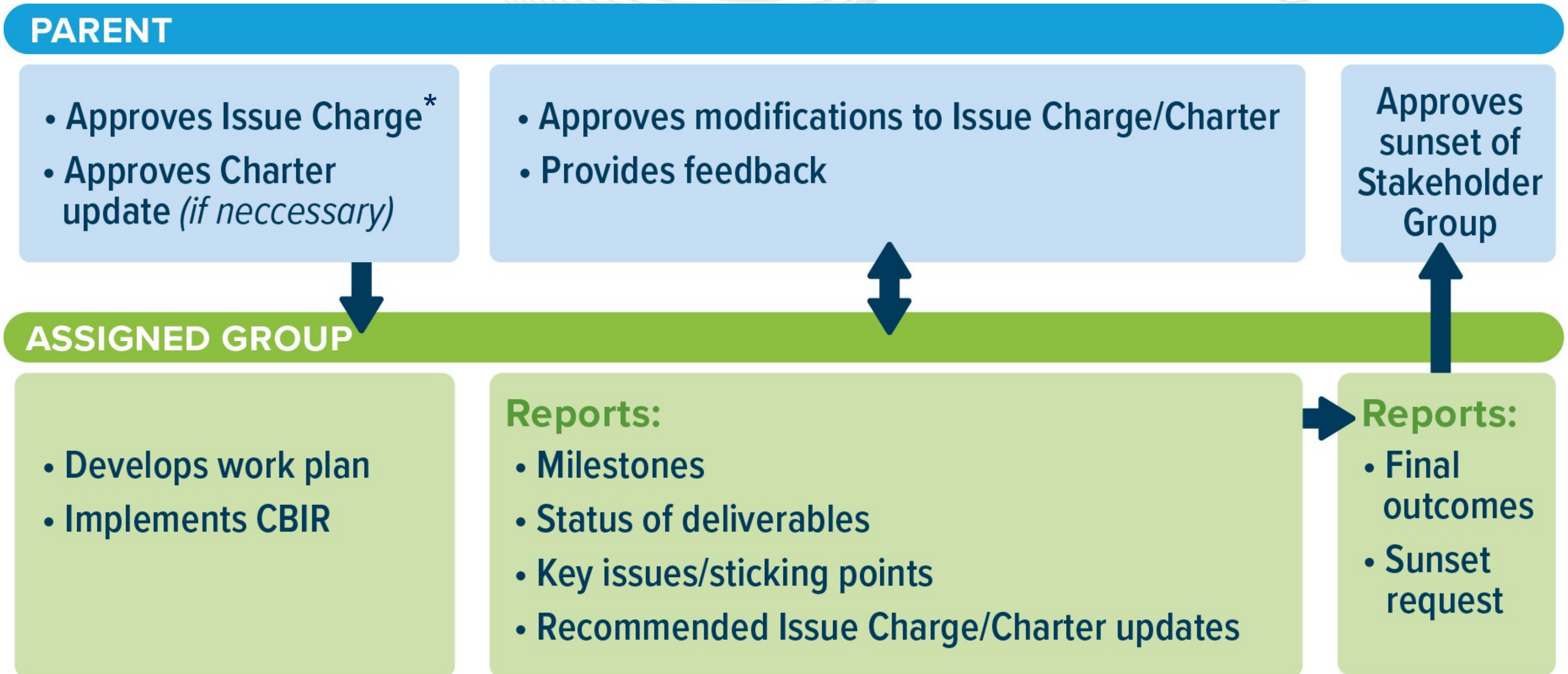
CHARTER

New Charters are only required for the creation of new Standing Committees and Subcommittees. Charter updates may be required for work assigned to an existing Stakeholder Group.

Includes:

- Voting/polling authority
- Reporting requirements
- Sunsetting requirements
- Scope of the Stakeholder Group
- Milestones and deadlines
- Responsibilites and expected deliverables
- Charge or purpose, goals, and objectives of the Stakeholder Group

Issue Life Cycle

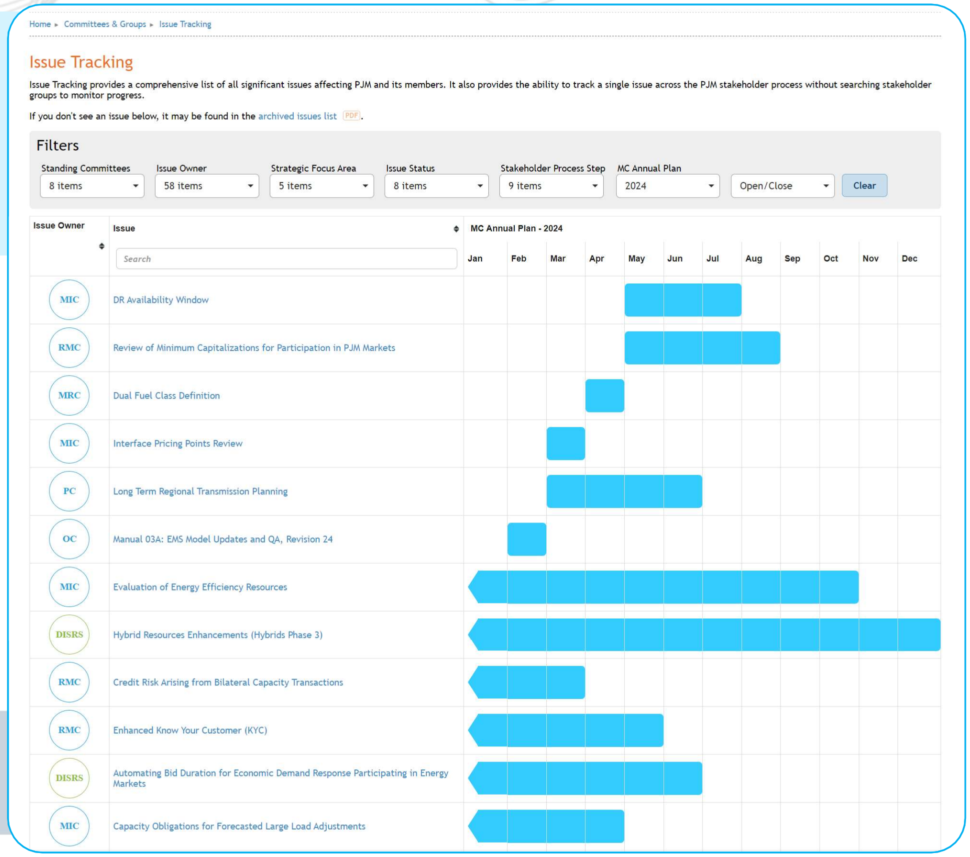


This process will only proceed if the Issue Charge is approved by the appropriate stakeholder body.

The objective of the annual plan is to document the work to be completed in the coming year

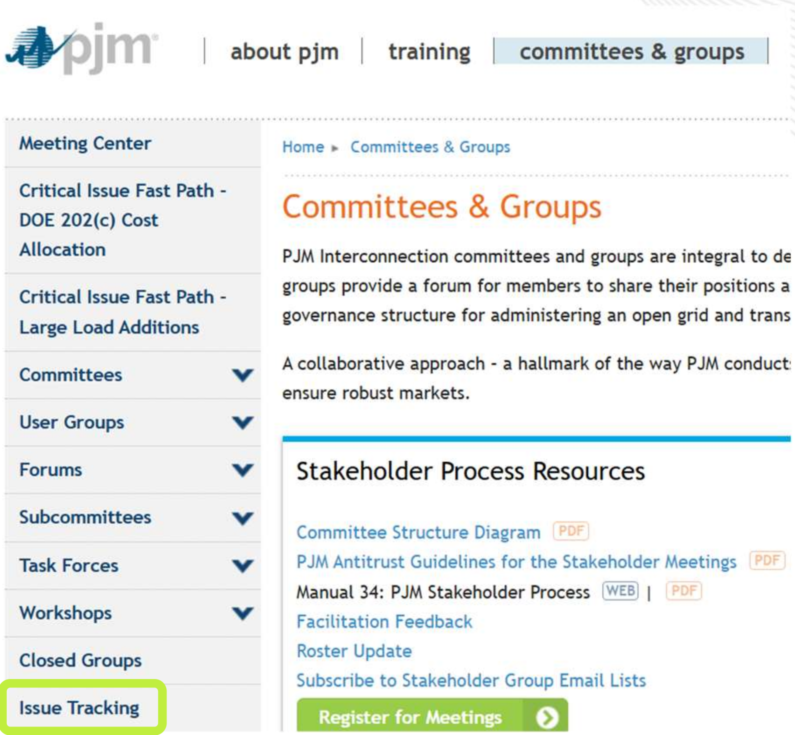
- The annual plan should be used where prioritizing issues in the stakeholder process

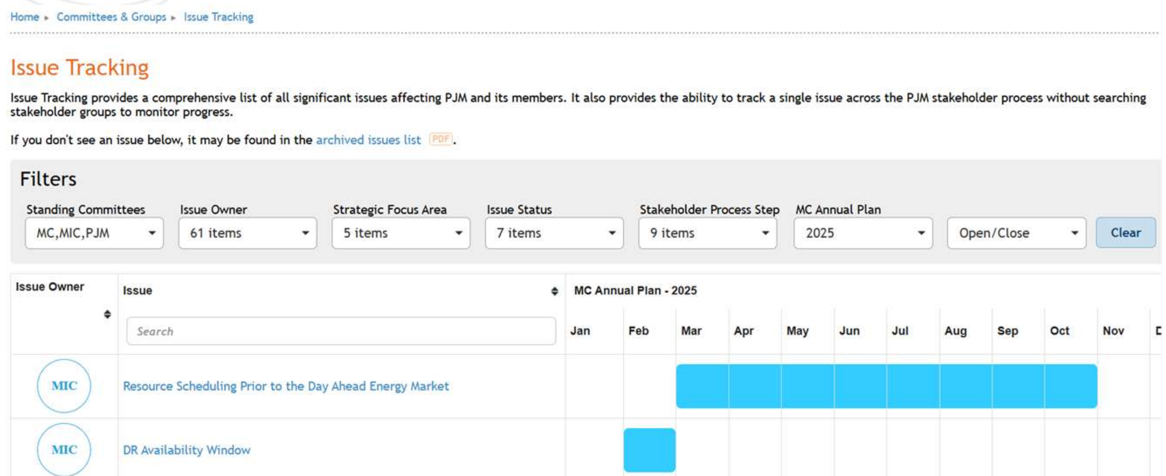
- The plan will include issues likely to result in proposals to the Members Committee for approval



Issues Tracking on pjm.com
offers current, searchable updates

Issue Tracking Tool





Issue Tracking Tool

Home ▸ Committees & Groups ▸ Issue Tracking ▸ Issue Details

Issue Details

Resource Scheduling Prior to the Day Ahead Energy Market

PJM System Operators, at times, will schedule resources in advance of the Day-ahead Energy Market based on projec conservative resource scheduling. The IMM has raised concerns about the lack of transparency regarding the process Ahead Energy Market. To address this concern, there is an opportunity to explore enhancements to the rules related to Day-Ahead Energy Market. The Issue Charge seeks to improve the existing process of offer capping of resources sche Market.

Proposed Timeline

Issue initiated: 3.5.2025	Work begins: 4.2.2025	Target Completion: 10.31.2025	Actual Completion: TBD

Issue Details

Stakeholder Body	Market Implementation Committee
Facilitator	Afelumo, Foluso
Subject Matter Expert	D'Antonio, Philip
Problem Statement/ Issue Charge First Read	2.5.2025
Issue Catalyst	PJM
Issue Status	Awaiting Senior Committee Approval
Manual Changes	Yes
Agreement Changes	Operating Agreement, Open Access Transmission Tariff
	Problem Statement PDF Issue Charge PDF

Stakeholder Process Step

- ✔ Approved
- ✔ Education
- ✔ Interest
- ✔ Design
- ✔ Options
- ✔ Packages
- ✔ Consensus
- Review
- Completed

Associated Materials | Governing Documents

11 items

▼ 10.9.2025 - MIC

- Agenda PDF
- Draft Minutes - MIC - 9.10.2025 PDF
- Item 05-1 - Options & Packages Matrix - Resource Scheduling Prior to the Day-Ahead Energy Market - Phase 2 - 10.9.2025 XLS
- Item 05-2 - Resource Scheduling Prior to the Day-Ahead Energy Market - Revised Issue Charge - Clean PDF
- Item 05-3 - Resource Scheduling Prior to the Day-Ahead Energy Market - Revised Issue Charge - Redline PDF
- Item 05-4 - Resource Scheduling Prior to the Day-Ahead Energy Market - Revised Problem Statement - Clean PDF
- Item 05-5 - Resource Scheduling Prior to the Day-Ahead Energy Market - Revised Problem Statement - Redline PDF
- Item 05-6 - Resource Scheduling Prior to the Day-Ahead Energy Market - Work Plan PDF

▶ 9.25.2025 - MC

▶ 9.25.2025 - MRC

Knowledge Check #2

Mutual Gains Theory

Developed at the Consensus Building Institute, with Larry Susskind, MIT professor

Process Model based on hundreds of real-world cases and experimental findings

4 steps for negotiating better outcomes while protecting relationships and reputation

- Allows parties to improve their chances of creating an agreement superior to existing alternatives

Central tenet –
parties typically have more than one goal or concern in mind and more than one issue that can be addressed in the agreement they reach

- Emphasizes careful analysis and good process management
- Mutual Gains approach is not the same as "Win-Win"

Reference: The Consensus Building Institute

Mutual Gains is the foundation of CBIR

The Mutual Gains Approach

1	**Prepare**	Understand/identify interests and BATNAs of participants
2	**Create Value**	Explore possible solution options and develop solution package based on identified interest
3	**Distribute Value** *(i.e., decide)*	Weigh options and use objective criteria
4	**Follow Through**	Including a means to monitor commitments and keep communication open

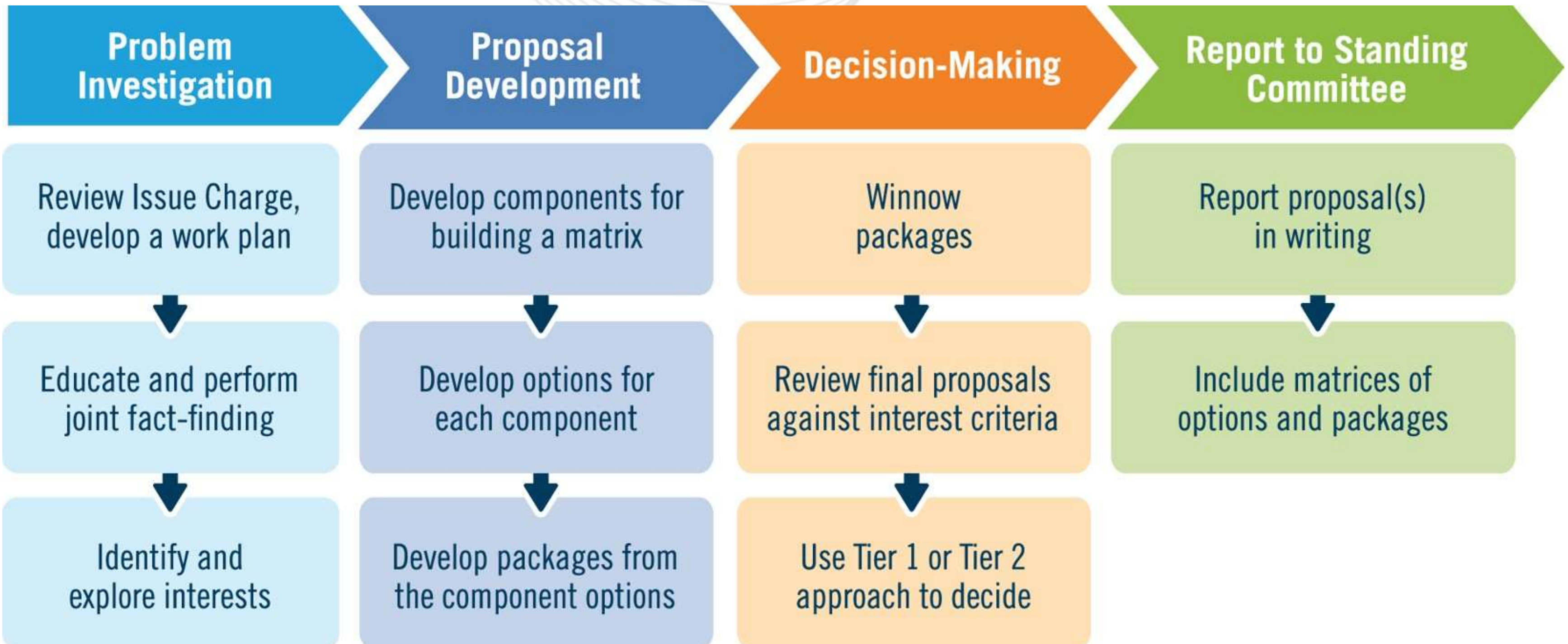
The CBIR Approach

1	Investigation & Education
2	Options & Proposals
3	Narrowing & Decision-Making
4	Reporting & Implementation

Reference: The Consensus Building Institute

Consensus Based Issue Resolution (CBIR)

Stakeholder Process Overview



Consensus Based Issue Resolution: Process

1 **Problem Investigation**

- Review Issue Charge, develop a work plan
- Educate and perform joint fact-finding
- Identify and explore interests

Consensus Based Issue Resolution: Process

1 Problem Investigation → 2 Proposal Development

Brainstorm solution options and proposals using a two-step process

Step 1: Options Matrix

- Develop design components
- Identify priority level
- Propose solution options
- Evaluate and narrow options ("winnowing")

Consensus Based Issue Resolution: Process

1 Problem Investigation → **2 Proposal Development**

Options Matrix:

	Priorities	Status Quo	A	B	C	D	E
Design Component 1	High	SQ Component 1	Option 1A	Option 1B	Option 1C	Option 1D	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2A	Option 2B	Option 2C	Option 2D	Option 2E
Design Component 3	Low	SQ Component 3	Option 3A	Option 3B			
Design Component 4	Medium/High	SQ Component 4	Option 4A	Option 4B	Option 4C		

1 Problem Investigation → 2 Proposal Development

Step 2: Proposal Matrix

- Discuss development of proposals (packages)
- Use solution options to populate each package
- Identify similarities and differences
- Evaluate, consolidate and narrow packages, as best as possible

Consensus Based Issue Resolution: Process

1 Problem Investigation → 2 Proposal Development

Proposal Matrix:	Priorities	Status Quo	Proposal A	Proposal B	Proposal C	Proposal D
Design Component 1	High	SQ Component 1	SQ Component 1	Option 1A	Option 1E	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2C	Option 2B	Option 2D	Option 2D
Design Component 3	Low	SQ Component 3	SQ Component 3	Option 3B	Option 3A	Option 3B
Design Component 4	Medium/High	SQ Component 4	Option 4A	Option 4C	Option 4C	SQ Component 4

Consensus Based Issue Resolution: Process

1. **Problem Investigation**
2. **Proposal Development**
3. **Decision-Making**

- Use polling and voting to narrow and gauge support for options and proposals

- Negotiate and build consensus

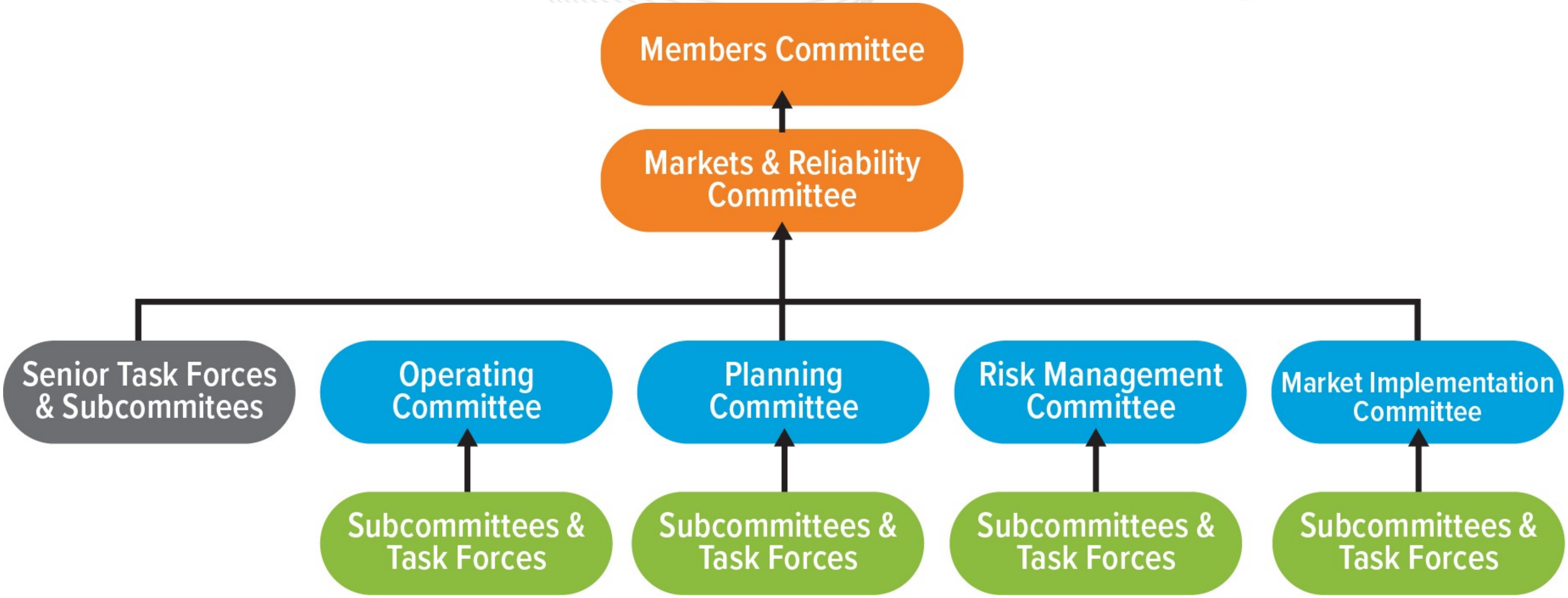
  Tier 1: Achieve consensus on a single proposal that all parties accept with no objections

  Tier 2: Provide 2–3 alternatives when consensus is not obtained under the Tier 1 approach

- Vote at parent committee and up the committee hierarchy as needed

Introduction to Decision-Making in the PJM Stakeholder Process

Three Types of Decision-Making Methods



Non-Voting Groups

Subcommittees & Task Forces*		
Decision-Making Methodology	– Non-binding polling may be used to gather stakeholder feedback – Strive for consensus (Tier 1) – If no consensus achieved, produce multiple proposals (Tier 2)	
Who Can Respond	Voting Members and Affiliates **|** Ex Officio Voting Members **|** Non-members	
Threshold for Endorsement	– Tier 1: All members can live with the proposal – Tier 2: At least 3 supporting voting members from 2 sectors	**Sector-Weighted Voting:** No
What moves up to the Parent Committee?	– All proposals meeting the threshold are forwarded to the parent committee – If a consensus proposal cannot be forwarded to the parent committee, multiple proposals are narrowed down	

**Not including Senior Task Forces or Subcommittees reporting to the MRC*

Voting at Groups Reporting to the MRC

Lower Level Standing Committees (PC/MIC/OC/RMC), Senior Task Forces, and Subcommittees		
Decision-Making Methodology	– Strive for consensus (Tier 1) – If no consensus achieved, vote on multiple options (Tier 2)	
Who Can Vote	Voting Members and Affiliates **|** Ex Officio Voting Members	
Threshold for Endorsement	Two-step process for voting on proposals, which must exceed both: – 50% (simple majority) support <u>AND</u> – 50% preference over status quo	**Sector-Weighted Voting:** No
What moves up to the Parent Committee?	– All proposals that receive simple majority support and are preferred over the status quo by greater than 50% are forwarded to the MRC in rank order.	

Voting at Senior Standing Committees

Members Committee (MC) and Markets & Reliability Committee (MRC)		
Decision-Making Methodology	– Vote on main motion first – If that does not pass, then vote in motion voting order until a motion passes or there are no more options to consider	
Who Can Vote	Voting Members **|** Ex Officio Voting Members	
Threshold for Endorsement	– Greater than 2/3rds threshold. Sector-Weighted Vote threshold = 3.335 / 5 – For a limited number of issues such as Charter approvals, Issue Charges, and elections, the threshold is ½, or a Sector Weighted Vote of 2.5 / 5	**Sector-Weighted Voting:** Yes
What moves up to the Parent Committee?	– The first motion voted on that receives MRC endorsement is forwarded to the MC as the main motion.	

Sector-Weighted Vote Calculation Example

Sector	For	Against	Abstain	% in Favor (of those voting For or Against)
Electric Distributor Sector	8	2	4	0.800
End-Use Customer Sector	15	0	1	1.000
Generation Owner Sector	10	10	5	0.500
Other Supplier Sector	3	7	15	0.300
Transmission Owner Sector	12	2	0	0.857
Sum				3.457
Threshold				.667 x 5 Sectors = 3.335

Standing Committee Voting Example

Lower Level Standing Committee*

P1 Proposal 1 = 68%

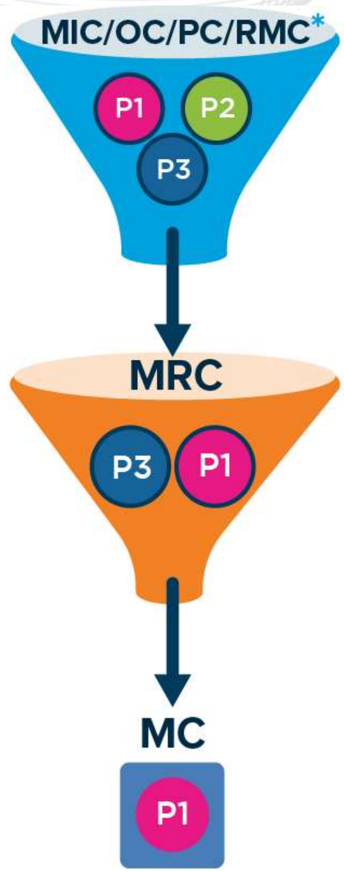
P2 Proposal 2 = 45%

P3 Proposal 3 = 90%

EXAMPLE

Proposals receiving over 50% for simple majority and preference over status quo are ranked and passed onto the MRC.

**Includes Senior Task Forces and Subcommittees reporting to Sr. Standing Committees*



MRC Vote

P3 Proposal 3: (voted first) *3.13

P1 Proposal 1: *4.25

P2 Proposal 2: Not voted on

EXAMPLE

The first proposal receiving greater than 3.335 sector-weighted support is passed to the MC.

**Note: Under Truncated Voting rules, the MRC stops voting once this threshold is reached.*

MC Vote

P1 Proposal 1 passes — *4.12

EXAMPLE

The proposal receiving greater than 3.335 sector-weighted support passes at the MC.

**Note: Under Truncated Voting rules, the MC stops voting once this threshold is reached.*

Summary of Decision-Making Rules

- Sector-Weighted Voting
- 2/3rds threshold with truncated voting rules
- Voting only by PJM Voting and Ex Officio Members

Members Committee

Markets & Reliability Committee

- Two thresholds: 50% simple majority and preference over status quo
- Voting, Ex Officio and Affiliate Members are eligible to vote

Operating Committee

Planning Committee

Risk Management Committee

Market Implementation Committee

Senior Task Forces

Subcommittees

- Non-binding polling used instead of voting
- All stakeholders may participate in polling

Subcommittees

Task Forces

Consensus Based Issue Resolution: Process

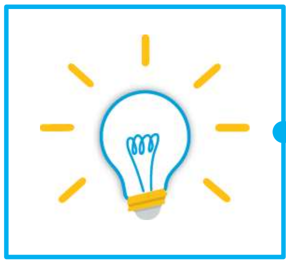
1 Problem Investigation → 2 Proposal Development → 3 Decision-Making → 4 Report to Standing Committee

- The task force or subcommittee is required to provide ***periodic updates*** and a ***final report*** to the parent committee
- Updates should include progress on milestones and deliverables
- The final report will detail all the of steps used in the evaluation process including the proposed solutions

Knowledge Check #3

CBIR Process Illustration

CBIR Process Illustration



The PJM Planning Committee decides that PJM and the members should develop a recipe for a cake to serve at a special event.

The PJM Planning Committee reviews a Problem Statement and approves an Issue Charge, and since there is no preexisting group that handles cake recipes, establishes a new Cake Task Force (CTF).

PJM assigns a facilitator and secretary, identifies SMEs, coordinates logistics, schedules the first meeting, and off we go.

Alternative Processes and Procedures

Alternative Processes

Enhanced Liaison Committee (ELC) – formal process that creates coalitions to present to the PJM Board for decision

Quick Fix – brings the solution along with the problem for straightforward issues

Critical Issue Fast Path (CIFP) – streamlined formal process, using the matrix, education, proposals, presentations to the Board and voting at the MC

CBIR Lite – follows CBIR process steps under a condensed timeline

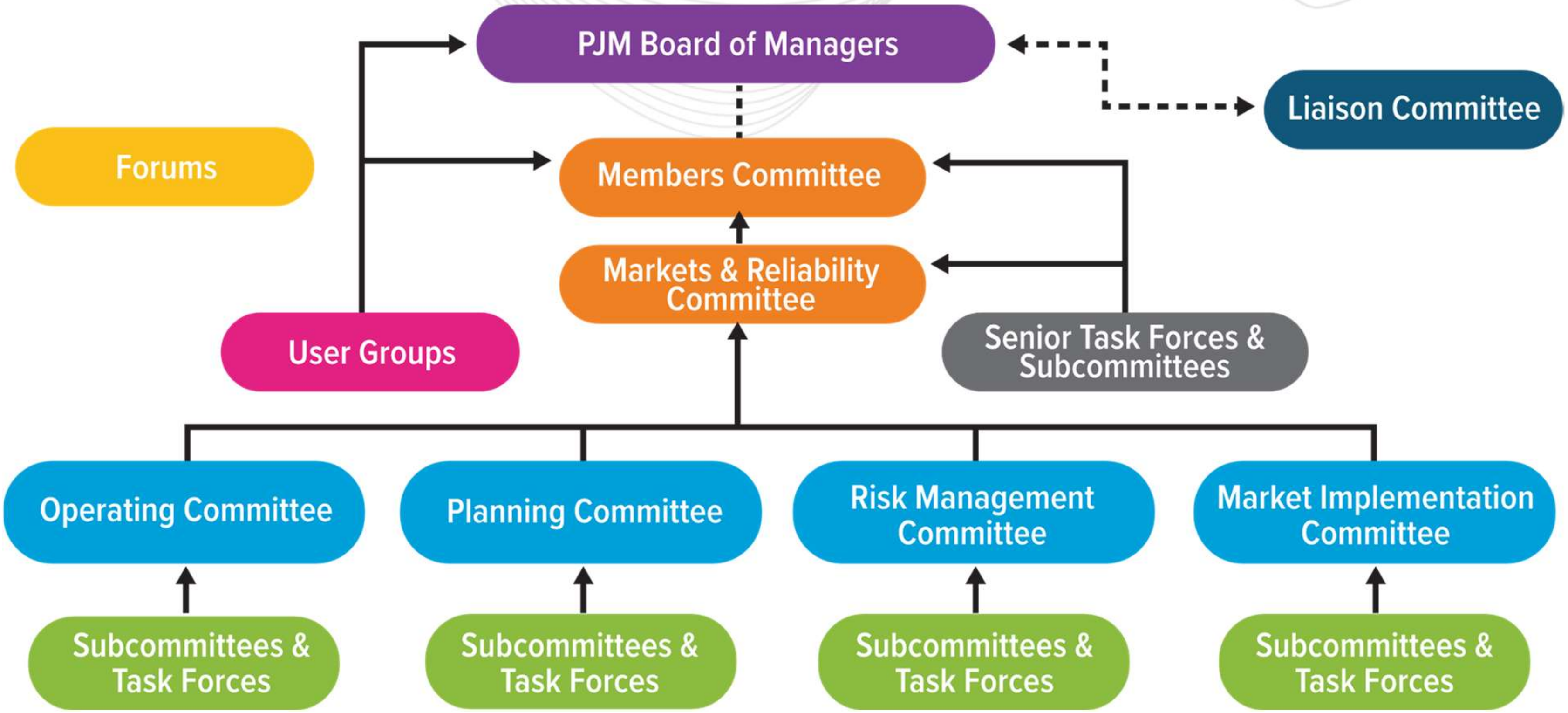
User Groups – Stakeholder group formed by five or more voting members sharing a common interest; minority protection

Rules of Procedure: Stakeholder Meetings

- PJM stakeholder meetings follow the rules of procedure outlined in Manual 34.
- Any procedure not specified in Manual 34, is governed by Robert’s Rules of Order.

Engaging in PJM’s Stakeholder Process

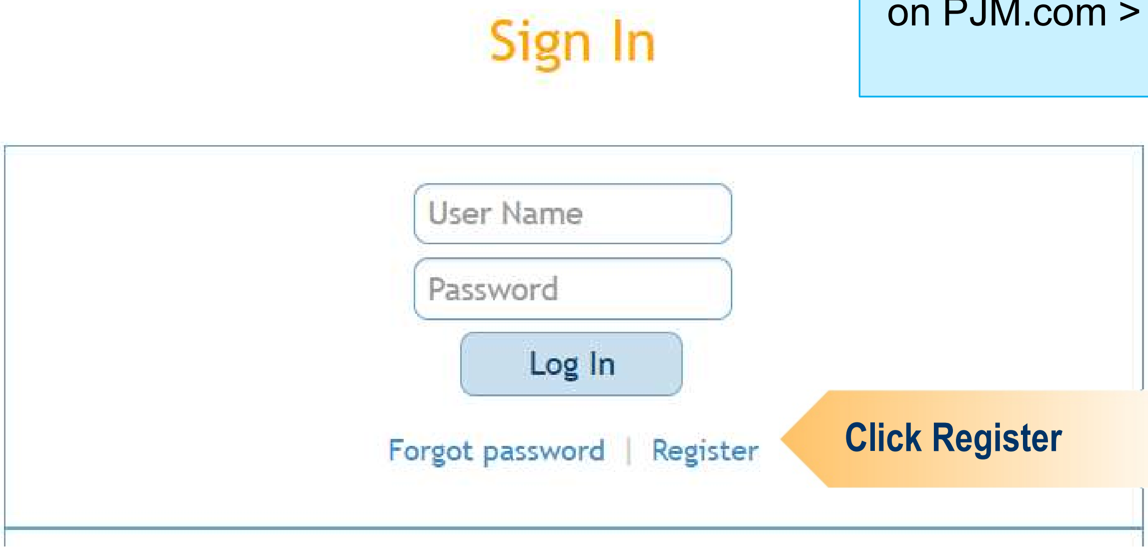
PJM Stakeholder Process Structure



Access the detailed view on PJM.com > Committees & Groups > Committee Structure Diagram

PJM User Account Registration

Find and review the
[New User Registration Workflows Quick Guide]
on PJM.com > Markets & Operations > PJM Tools > Account Manager



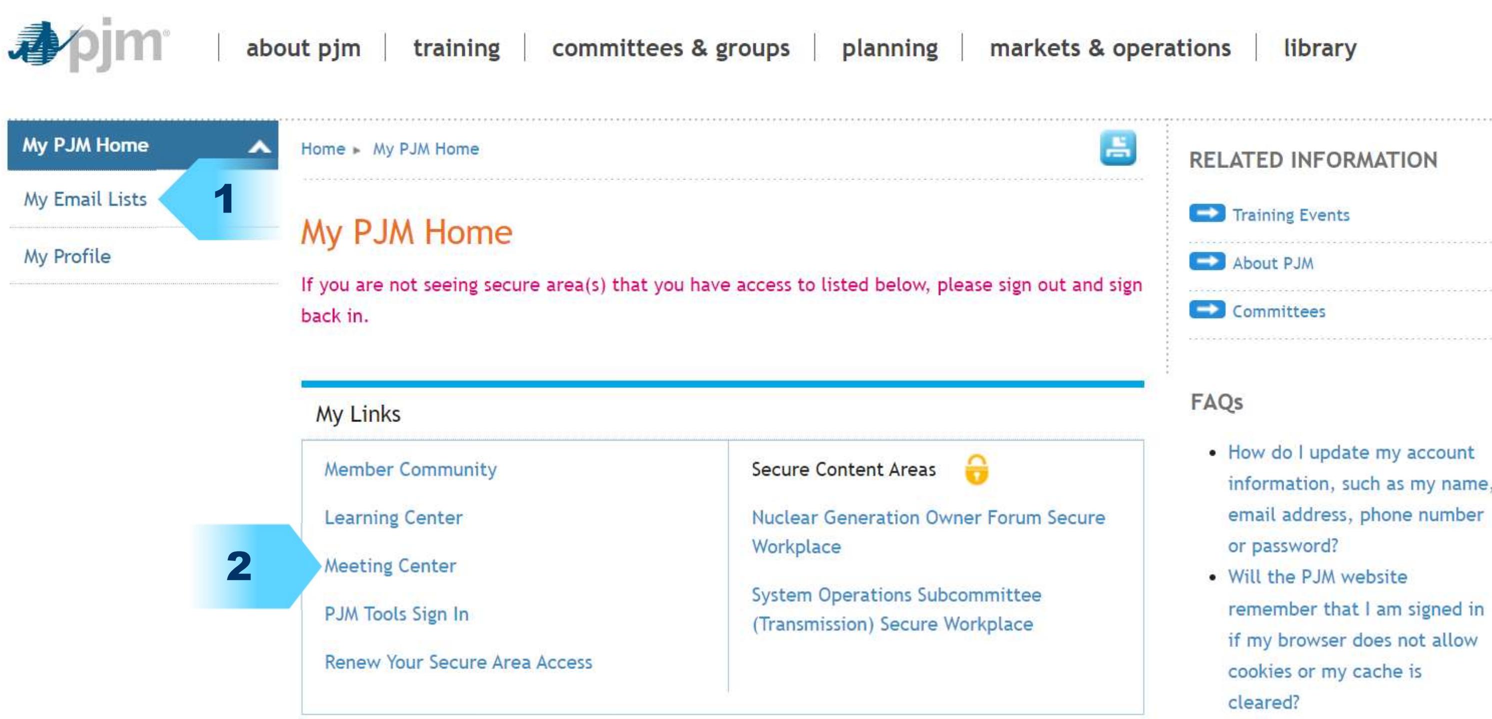
Click Register

PJM Stakeholder Group Meeting Participation Steps

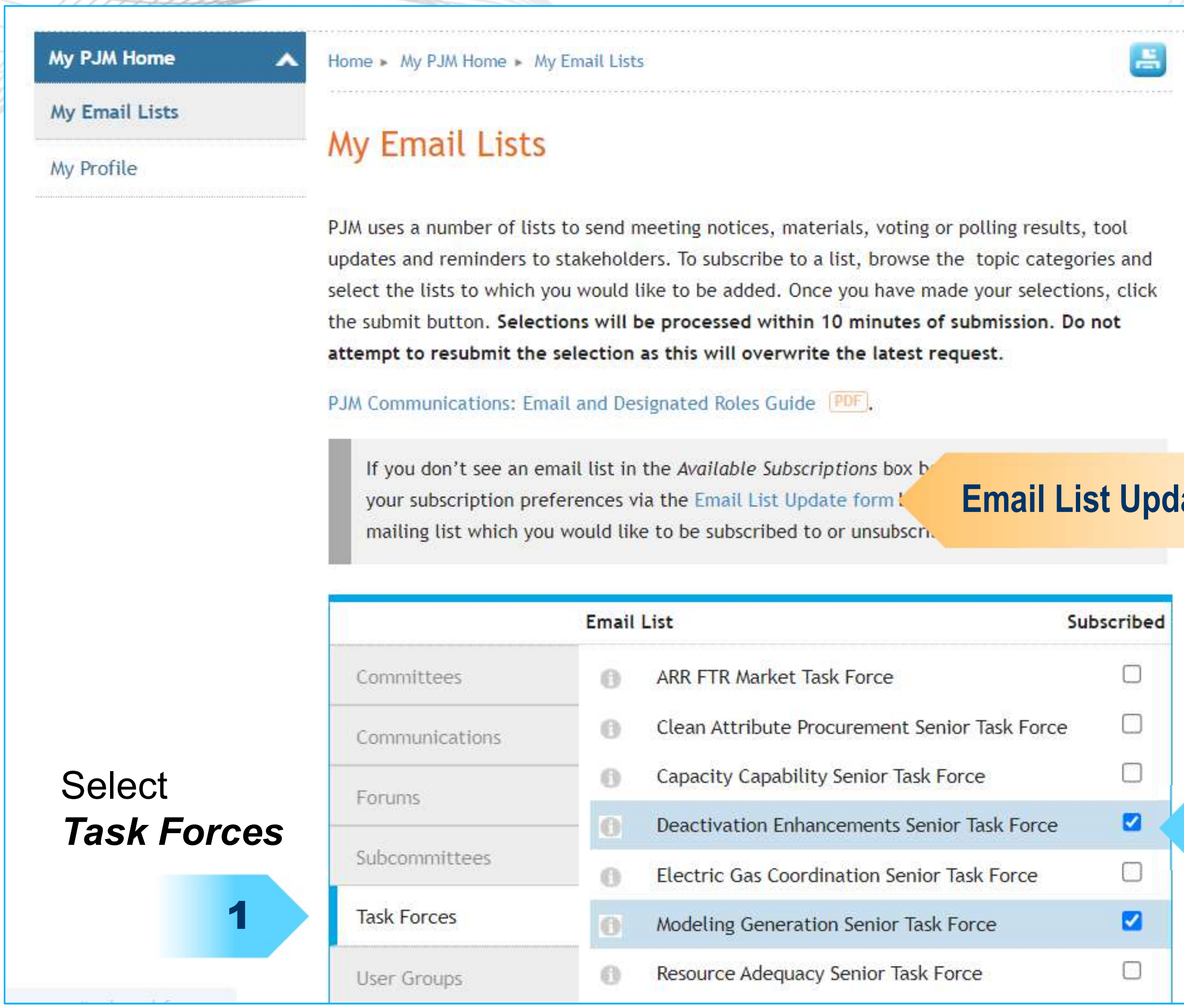
1 **Join email distribution lists** to receive all future emails regarding this group.

2 **Register for meetings** in Meeting Center.

3 **Join the roster for groups** of interest (required for voting representatives).



PJM Stakeholder Group Email List Subscription



Email List Update Form

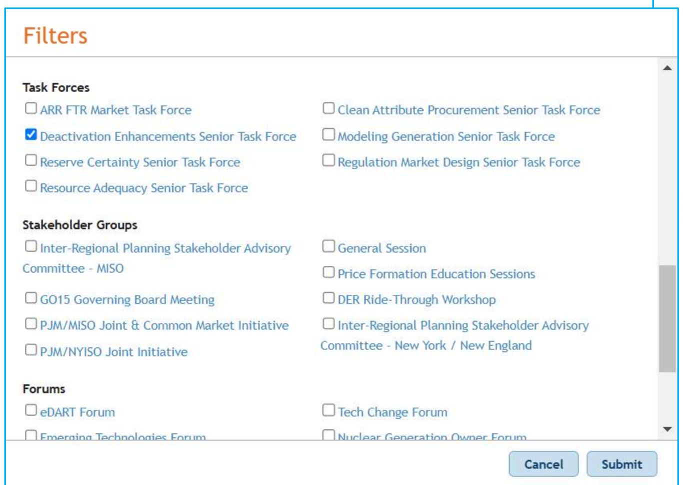
Select ***Task Forces***

1

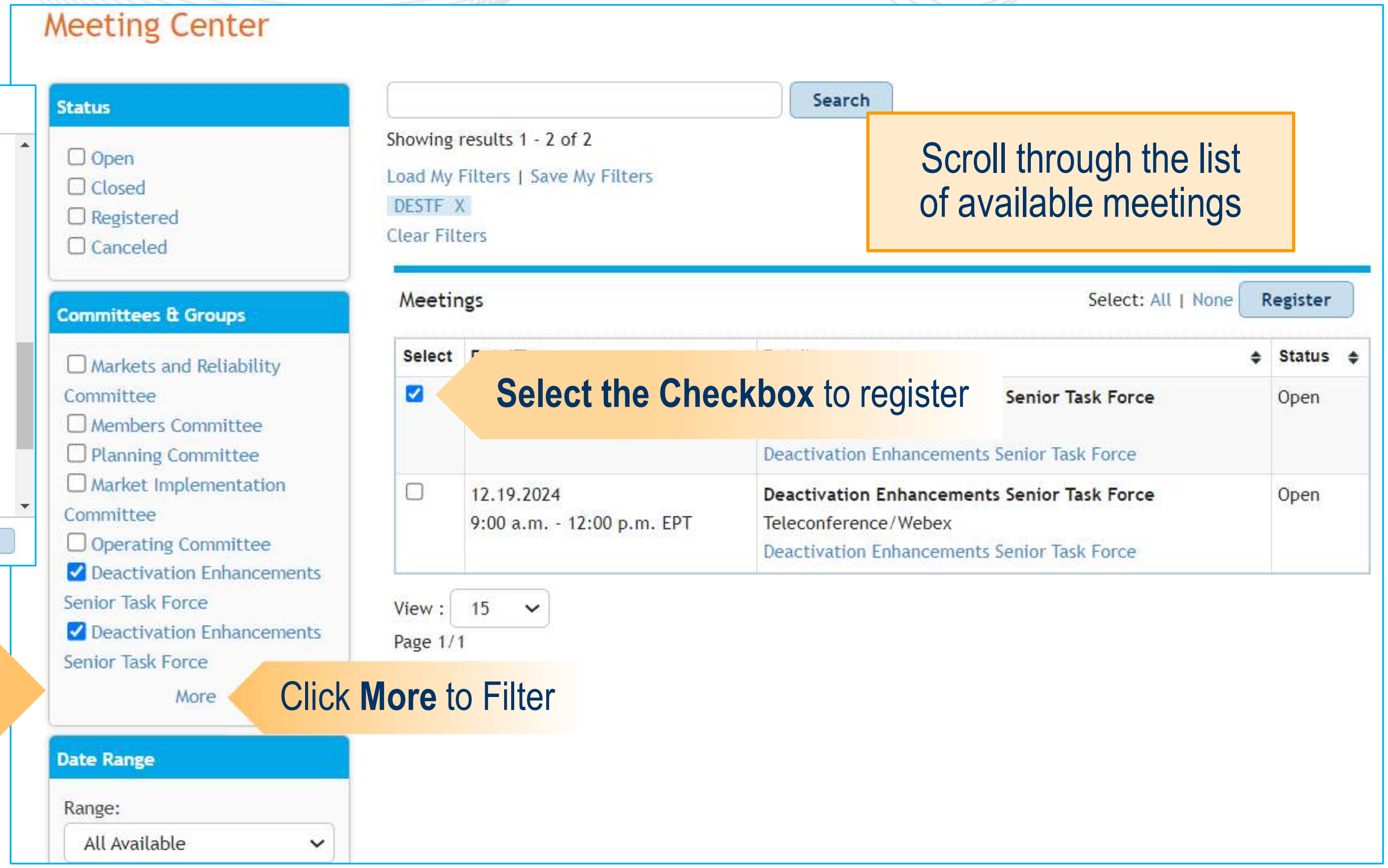
2 Select ***DESTF***

3 Click **Submit**

PJM Stakeholder Group Meeting Registration



Scroll and click next to the **Committee or Group name** you wish to filter by.



Scroll through the list of available meetings

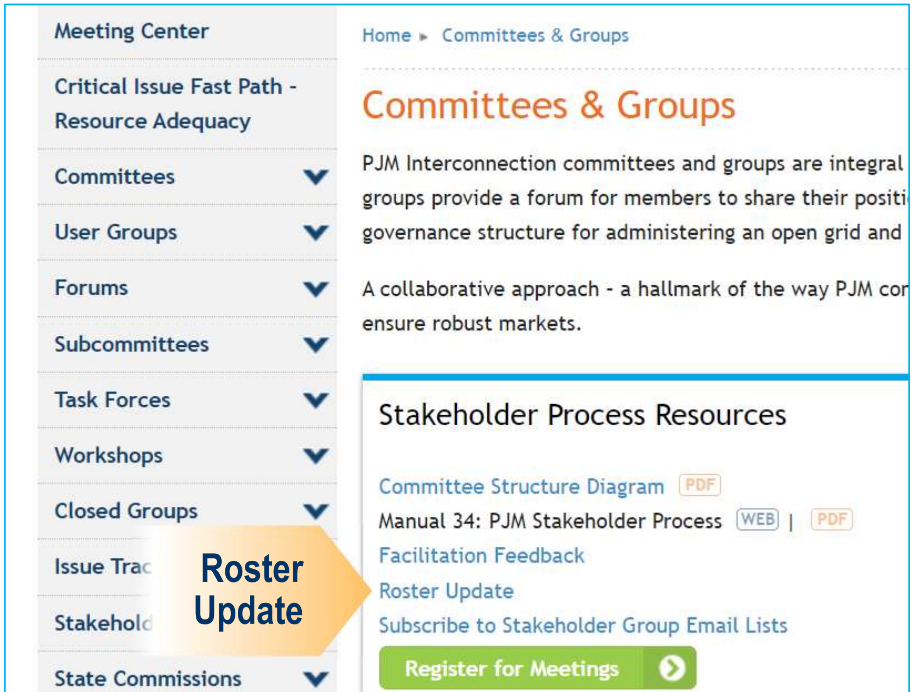
Select the Checkbox to register

Click **More** to Filter

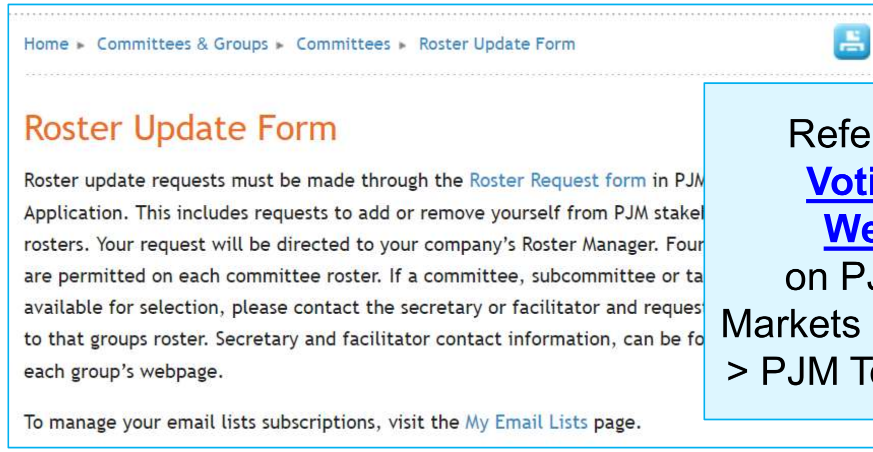
PJM Stakeholder Group Roster Update Form

Update roster members directly via Roster Managers or by accessing the [Roster Update Form] on PJM.com > Committees & Groups > Roster Update Form

Each member company can name up to four representatives, including one primary and three alternates.



Roster Update



Reference the [**Voting Tool Webpage**] on PJM.com > Markets & Operations > PJM Tools > Voting

- Individuals authorized to vote on behalf of the member company must be included on the roster.
- Rosters also provide contact information for other involved stakeholders.

PJM Stakeholder Process Resources

Stakeholder Process Forum

PJM Learning Center

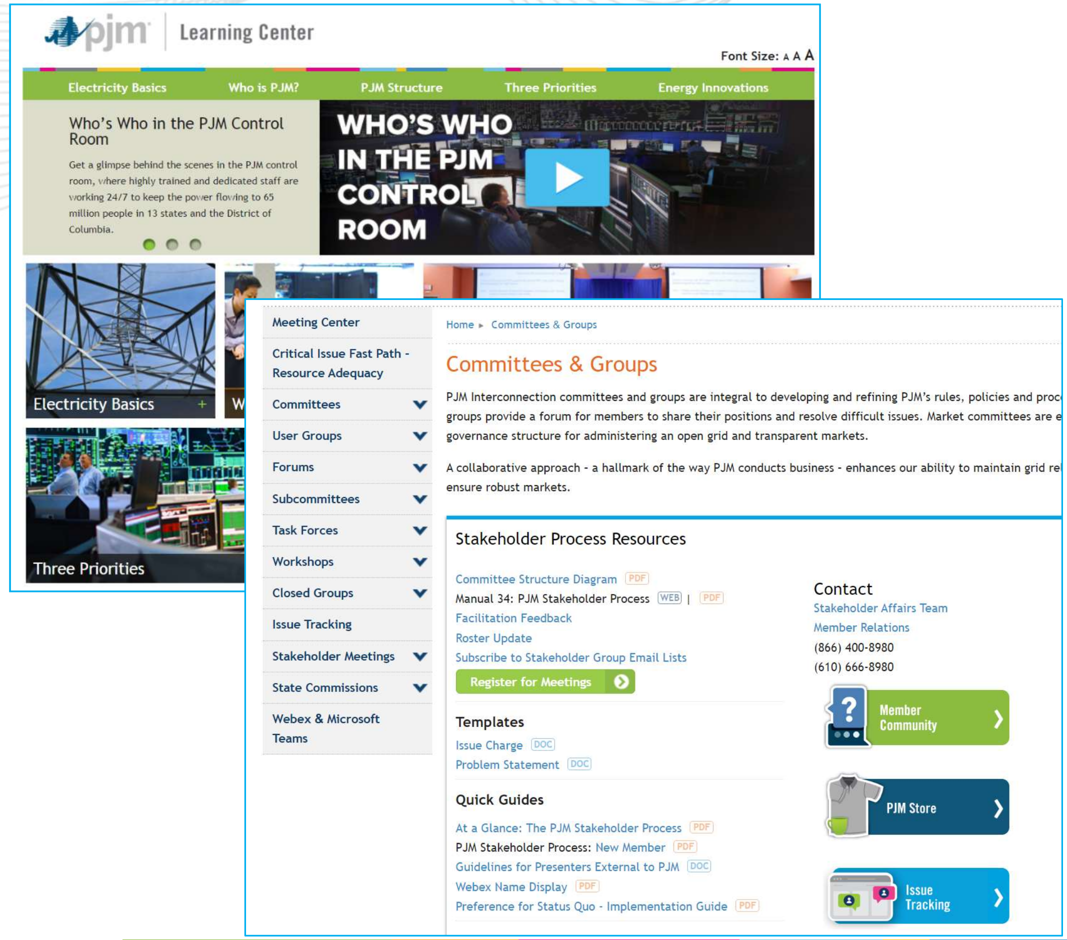
Templates

Manual 34

Quick Guides & Micro-Learning Videos

Tools

Committee Meetings & Stakeholder Process Calendar



Knowledge Check #4

Voting and Roster Manger Tool Demo

PJM Stakeholder Affairs

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