

PJM Interconnection, L.L.C.

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Docket No. ER25-____-000

PJM Interconnection, L.L.C. (“PJM”) hereby requests, pursuant to Rules 207(a)(5) of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Rules of Practice and Procedure,¹ a prospective limited waiver (“Waiver Request”) of the requirements of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), section 7.1 to afford PJM additional time to implement the process set forth in that section to reconvene the Nominating Committee and to identify and nominate candidates for the two vacancies on the PJM Board of Managers (“PJM Board”). While the Nominating Committee has already been reconvened and met, this Waiver Request is necessary to ensure sufficient time to identify potential Board members and to complete appropriate due diligence, including background checks, prior to announcing the proposed nominees to be considered and voted on by the Members Committee.

PJM's Operating Agreement, section 7.1 specifies that, in the event the Members Committee does not elect a full PJM Board at its Annual Meeting, the Nominating Committee shall propose a nominee for each remaining vacancy on the Board of Managers at the next regularly scheduled Members Committee meeting.² The Annual Meeting was held May 12-

² Operating Agreement, Section 7.1.

14, 2025, and the Members did not elect a full PJM Board. Two incumbent Board candidates, who were nominated by the Nominating Committee for reelection to the Board were not elected by the Members. The next regularly scheduled meeting of the Members Committee is scheduled for June 18, 2025, and therefore the requested waiver is prospective in nature as the Nominating Committee and PJM will need more than the allotted twenty-eight days to properly fulfill their responsibilities.

PJM notes that notwithstanding the annual meeting election results, PJM is presently in compliance with the Operating Agreement regarding the size, the expertise and experience, and the composition of the Board. PJM further observes that notwithstanding the lack of a full Board of Managers of nine independent voting members, the PJM Board and PJM itself are able to conduct all necessary business during the interim period until the replacement Board members are elected.

By this filing, PJM seeks a limited prospective waiver of Operating Agreement, section 7.1 to permit PJM to extend the time for the nomination and consideration of the replacement Board members by the PJM Members Committee after the June 18th Members Committee meeting, but not beyond the regular meeting of the Members Committee scheduled for September 25, 2025.

PJM respectfully requests that the Commission act expeditiously to grant the Waiver Request on or before June 17, 2025, and furthermore, requests a shortened comment period of 10 days to allow for issuance of an order by that date.

I. BACKGROUND

PJM's Operating Agreement, section 7.1 requires elections for the Board to be held at each Annual Meeting of the Members for the purpose of selecting a person to fill the seat of a

Board Member whose term is expiring.³ In accordance with this requirement, PJM held elections for the PJM Board during the May 12, 2025, Annual Meeting of Members.⁴ However, a full Board was not elected from the nominees proposed by the Nominating Committee. Under such circumstances, Operating Agreement 7.1 provides in the 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 the PJM Board for consideration by the Members at the next regular meeting of the Members Committee.⁵

In light of the fact that a full Board was not elected from the nominees proposed by the Nominating Committee at the May 12, 2025 Annual Meeting of Members, there are several significant factors that currently hinder the Nominating Committee from complying with the requirements of Operating Agreement 7.1 prior to June 18, 2025. For example, the list of potential candidates prepared by the independent consultant list must be expanded as the Operating Agreement, section 7.2 requires that PJM Board members have expertise and experience in certain pertinent areas.⁶ The expertise and experience sought by the independent consultant in establishing the list of potential candidates leading up to the Annual Meeting Board election needs to now be reexamined in light of the loss of qualifications. Because the Members Committee did not re-elect two incumbent Board members possessing certain expertise, the independent consultant's search must be expanded to include and consider the expertise held by the Board Members unexpectedly not re-elected and additional people.

³ Operating Agreement, section 7.1.

⁴ See PJM, Members Committee Agenda (May 12, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2025/20250512/20250512-agenda.pdf>.

⁵ Operating Agreement, section 7.1.

⁶ Operating Agreement, section 7.2.

Additionally, appropriate background checks and further due diligence must be conducted on the potential Board nominees. Simply put, the Nominating Committee requires more than the allotted 28 days before the next Members Committee meeting to properly perform these functions, which are essential to ensuring the nomination of qualified Board candidates.

II. WAIVER REQUEST

A. The Waiver Will Permit an Appropriate and Deliberate Process to Nominate Board Members for the Unexpected Vacancies.

To ensure that appropriate due diligence is completed prior to nomination and to give the Members Committee sufficient time to consider the nominee prior to voting, PJM requests a prospective waiver of Operating Agreement, section 7.1 to postpone the vote to elect PJM Board members until the regularly scheduled Members Committee meeting on September 25, 2025.

The Commission will grant 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 harm to third parties.⁷ This prospective Waiver Request would permit time to identify potential Board members, complete the background checks and further due diligence, and provide the Members Committee sufficient time to consider the nominees to the PJM Board proposed by the Nominating Committee prior to taking a vote.

This waiver request satisfies all four of the Commission's waiver criteria. First, the waiver request is being submitted in good faith. As noted above, PJM is currently in compliance with the requirements of the Operating Agreement. This Waiver Request follows

⁷ *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016) (citing waiver standards and allowing tariff waiver to implement equitable relief in light of certain tariff provisions); *see also Waiver of Tariff Requirements*, 171 FERC ¶ 61,156, at P 18 (2020) (listing FERC's current waiver standards).

a May 12, 2025 Annual Meeting in which two incumbent Board candidates who had been renominated by the PJM Nominating Committee did not receive the requisite votes for election. This Waiver Request is being submitted to proactively and prospectively address the limited time now available for the Nominating Committee to propose further nominees by the next regular meeting of the Members Committee on June 18, 2025, and further, PJM's rules of process require that an agenda and supporting materials for action items be posted one week in advance of the meeting. This Waiver Request is therefore a good faith effort to ensure that sufficient time and consideration is given to the Nominating Committee and the Members Committee to consider potential nominees to the Board. Further, additional time is necessary to allow the Nominating Committee and PJM to conduct due diligence, including background checks, on the identified nominees prior to a vote on their potential election to the Board.

Second, the requested waiver is of limited scope. The waiver will apply only until the September 25, 2025 Members Committee meeting, a time period spanning approximately three months for the limited purpose of identifying and performing due diligence on the potential nominees to the Board.

Third, the requested waiver addresses a concrete problem—the Nominating Committee simply does not have a proper amount of time to find two replacement Board Members to fill the current vacancies by the next regularly scheduled Members Committee meeting on June 18, 2025 (again with a posting deadline of June 11th). The need for specific expertise in RTO matters, as required by Operating Agreement, section 7.2, requires reexamination of the independent consultant's previous list of candidates and of the desired skills and experience.

Fourth, the waiver would not have undesirable consequences, such as harm to third parties. To the contrary, granting the requested waiver will benefit PJM and PJM Members by

ensuring sufficient time to consider the expertise and skills of the applicable Board candidates, and to perform the necessary background checks and due diligence. As noted above, both the PJM Board and PJM are not limited in their ability to perform their necessary functions during the interim period. Importantly, no third party will be harmed by granting the requested waiver, and indeed the public interest will be served by allowing the Nominating Committee to identify a replacement nominee in accordance with Operating Agreement, section 7.1 with sufficient time to properly execute their responsibilities. In short, PJM's prospective Waiver Request satisfies all four elements for waiver of this narrow provision of the Operating Agreement, and PJM asks that the Commission grant the Waiver Request.

III. REQUEST FOR SHORTENED COMMENT PERIOD AND EXPEDITED COMMISSION ACTION

PJM respectfully requests that the Commission set a shortened comment period of no more than ten (10) days for this Waiver Request and for the Commission to act on the Waiver Request no later than June 17, 2025.

There is good cause for granting these requests which do not prejudice the rights of any other party. The expedited approval will provide clarity to PJM and its Members regarding the nominating process for prospective Board Members in advance of the June 18, 2025 Members Committee meeting – the date on which Members would be required to vote on nominees under Operating Agreement Section 7.1.

IV. COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to, and PJM requests the Secretary include on the official service list, the following:⁸

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V. SERVICE

PJM has served a copy of this filing on all PJM Members and on the affected state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,⁹ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly-filed document, and will send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region,¹⁰ alerting them that this filing has been made by

⁸ To the extent necessary, PJM requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

⁹ See *id.* §§ 35.2(e) and 385.2010(f)(3).

¹⁰ PJM already maintains, updates, and regularly uses email lists for all PJM Members and affected state commissions.

PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing.

VI. CONCLUSION

For the reasons stated herein, PJM requests that the Commission grant this Waiver request.

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