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Terry Blackwell  
Chair, Nominating Committee

VIA ELECTRONIC MAIL

July 22, 2022

Charlotte A. Mitchell, Esq.  
President, Organization of PJM States, Inc.  
Chair, North Carolina Utilities Commission  
430 North Salisbury Street  
Dobbs Building – 5<sup>th</sup> Floor  
Raleigh, NC 27603

Re: PJM Nominating Committee

Dear President Mitchell,

Thank you for your correspondence dated June 21, 2022, wherein the Organization of PJM States, Inc. (OPSI) expressly recommends that the PJM Nominating Committee fill the anticipated vacancy on the PJM Board with “an individual who has experience serving on a state public utility commission.” The Nominating Committee recognizes all of the attributes and benefits that you identify in your letter, and the current position description explicitly seeks candidates with “experience as a state or federal regulator.” While PJM has had in the past a Board member with state commission experience, at this time we have Paula Conboy, who is a former regulator with diverse experiences.

I am providing this response on behalf of the current Nominating Committee, but my response is informed by my prior experiences on the Nominating Committee and is intended to provide some insight into the process. In recent cycles, the Nominating Committee has sought and considered several candidates with experience serving on a state public utility commission, including both current and former commissioners, and those from within the PJM footprint and those from outside the PJM footprint. As a preliminary matter, I note that the ongoing search is to identify a replacement nominee for Sarah Rogers, who has served on the Board since 2012. Her prior experiences include serving as president and CEO of the Florida Reliability Coordinating Council and as vice president of transmission for Progress Energy, with responsibility for the operations and planning of the transmission system. In order to ensure subject matter continuity on the Board in the future, the Nominating Committee has indicated a strong desire to identify and evaluate candidates that have expertise and experience with transmission system operations and planning. We have retained an independent consultant and are conducting an open call for candidates to submit their resumes and/or background materials directly to Korn Ferry via email to [PJMBoard@KornFerry.com](mailto:PJMBoard@KornFerry.com).

It may be helpful to identify challenges to the candidate identification and selection processes for existing and former state commissioners. Consideration of sitting state commissioners has raised concerns with the Nominating Committee members when the commissioner has indirect regulatory oversight through the regulation of PJM Members. Nominating Committee members have further expressed concerns that it could put a Member in a difficult position of having to interview and vote upon a sitting state commissioner that regulates its utility company, or adjudicates cases in which the PJM Member is an intervenor.

In addition, with some state commissions taking a more proactive role in policy issues, such policy-making creates a divergence among the PJM states. Thus, selecting a commissioner from one state could be construed as sending a message in support of that state's policies over those of other states. Furthermore, the PJM Operating Agreement has an express two-year "cooling-off period" set forth in Section 7.2 that applies to former directors, officers and employees of Member entities and their affiliates. While this cooling-off period provision does not technically apply to state commissioners, the Nominating Committee members have noted the objective of the provision toward ensuring the independence of the organization.

Further, often former commissioners have taken positions with Member companies (or their affiliates) or are engaged in consulting with Member companies (or their affiliates). As noted, joining from a Member company requires compliance with the two-year cooling-off period. In some cases, the candidates are not willing to forego their consulting businesses, or their consulting ties to a Member may not be embraced by other members of the Nominating Committee.

The PJM Nominating Committee will continue to consider candidates with state commission experience because the success of the regional transmission organization is dependent on finding qualified candidates to ensure the independence and substantive expertise of the Board of Managers. Thank you for your continued interest in these matters.

Sincerely,

Terry Blackwell  
Chair, PJM Nominating Committee

cc: PJM Nominating Committee  
PJM Board of Managers