

PJM Stakeholder Process Training - Governance



Dave Anders, Director – Stakeholder Affairs
Michele Greening, Manager – Stakeholder
Process & Engagement

Janell Fabiano, Lead Stakeholder Process
Specialist

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Fundamentals of the Stakeholder Process

- PJM and Governing Documents
- Governance Structure, Membership and Sectors
- Stakeholder Process Overview
- Roles & Responsibilities of Participants
- Voting and Rules of Procedure
- Additional Resources and References



PJM and Governing Documents



OA

Operating Agreement

Agreement among members which established PJM Interconnection, L.L.C.

- Governance – Board of Managers, Office of the Interconnection, Members Committee
- Energy Markets, RTEP, others



The Tariff

Open Access Transmission Tariff

Rates & Terms of Service



RAA

Reliability Assurance Agreement

Must be a signatory to be an LSE

Of Particular Interest:



OA HIGHLIGHTS

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

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



OATT HIGHLIGHTS

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

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

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

Schedules	
9	Administrative Service Fees



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

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.



Other

GOVERNING DOCS

- Consolidated Transmission Owners Agreement
- Joint Operating Agreements (MISO, NYISO, etc.)



Other

IMPLEMENTING DOCS

- Manuals (Energy Market manuals, RTEP, Transmission, Reserves, Accounting & Billing, Admin, Misc.)
 - Most endorsed by MRC
 - PJM responsibility
 - 15, 34 have different path
- Non-manual documents (Congestion Management Protocol, Regional Practices)



CTOA

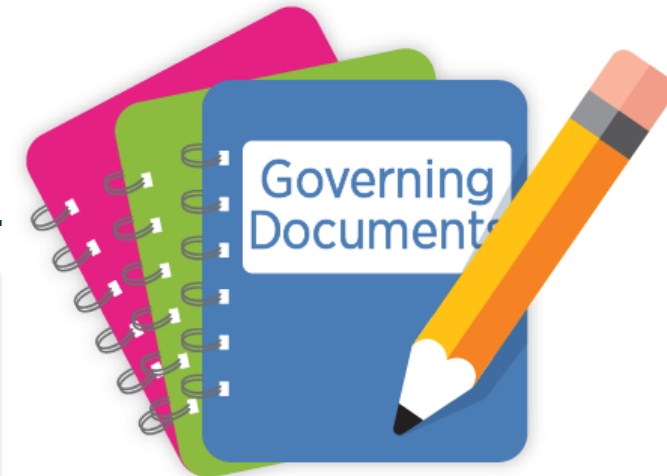
HIGHLIGHTS

- 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:

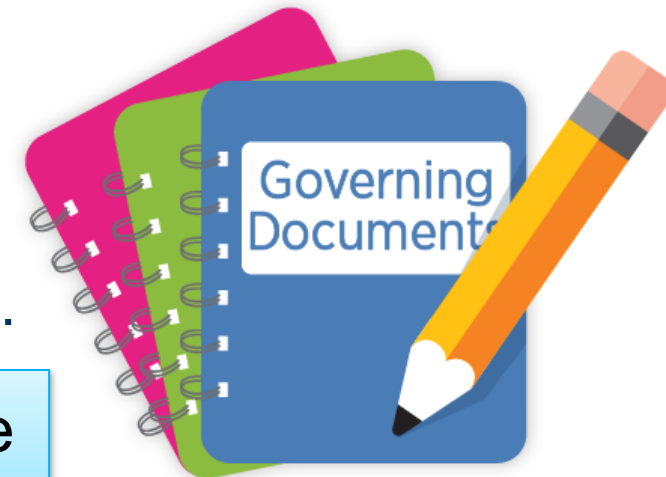
Article	
7	TO Filing Rights
8	TOA – Administrative Committee

- Requires public utilities to file with the Commission all rates and charges for any transmission or sale subject to the jurisdiction of the Commission.
- Requires that tariffs, rate schedules, service agreements and contracts relevant to services offered must be filed at FERC.



Note: To approve the filings, the Commission must find that the rates are just and reasonable and not unduly discriminatory and preferential.

- Allows the Commission to modify rates upon its own motion or upon motion or complaint.
- 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:
 - **First:** establishing that the current rate is unjust and unreasonable
 - **Second:** establishing that the alternative rate proposal is just and reasonable



Note: It is not sufficient to simply demonstrate an alternative is superior to the current rate.



High Level: Who Can File Under 205 & 206?

	OA	TARIFF	RAA	CTOA
Who can amend & under what FPA section	<p>Requires 2/3 endorsement by Members Committee to amend under FPA 205</p> <ul style="list-style-type: none"> If 2/3 endorsement not achieved: <ul style="list-style-type: none"> the Board can authorize PJM to file under FPA 206 Others can seek to change the OA through filing a complaint under FPA 206 	<p>PJM can file under FPA 205 without 2/3 endorsement of Members Committee</p> <ul style="list-style-type: none"> Even though we could technically file under FPA 205 without any stakeholder process, our practice is to work toward endorsement TOs have FPA 205 filing rights over certain aspects of the Tariff But would seek Board support for making such a filing Others can seek changes to the Tariff through filing a complaint under FPA 206 	<p>Only the Board has the ability to approve amendments to the RAA under FPA 205</p> <ul style="list-style-type: none"> We typically seek endorsement through the stakeholder process to inform the Board Others can seek changes to the RAA through filing a complaint under FPA 206 	<p>Only parties to the CTOA can amend the CTOA under FPA 205</p> <ul style="list-style-type: none"> Others can seek changes to the CTOA through filing a complaint under FPA 206

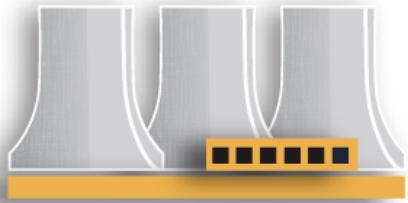


Governance Structure, Membership and Sectors

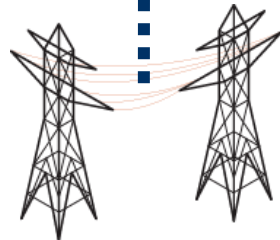
Independent Board of Managers

Market Monitor

Members Committee



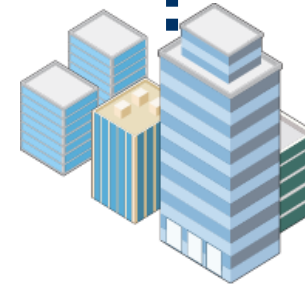
Generation Owners



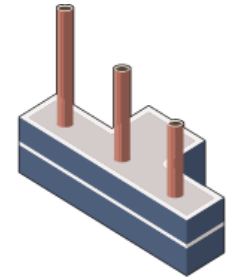
Transmission Owners



Competitive Retail Companies & Trading Companies



Utility Electric Distributor & Retail Business



Wholesale End Use Customers (Industrial)

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

Transmission Owners – members owning transmission within PJM’s footprint:

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



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



End-Use Customers – End-users within PJM’s footprint:

- Large commercial & industrial customers
- Consumer advocates



Electric Distributors – transmission-dependent utilities:

- Municipal utilities
- Co-operatives



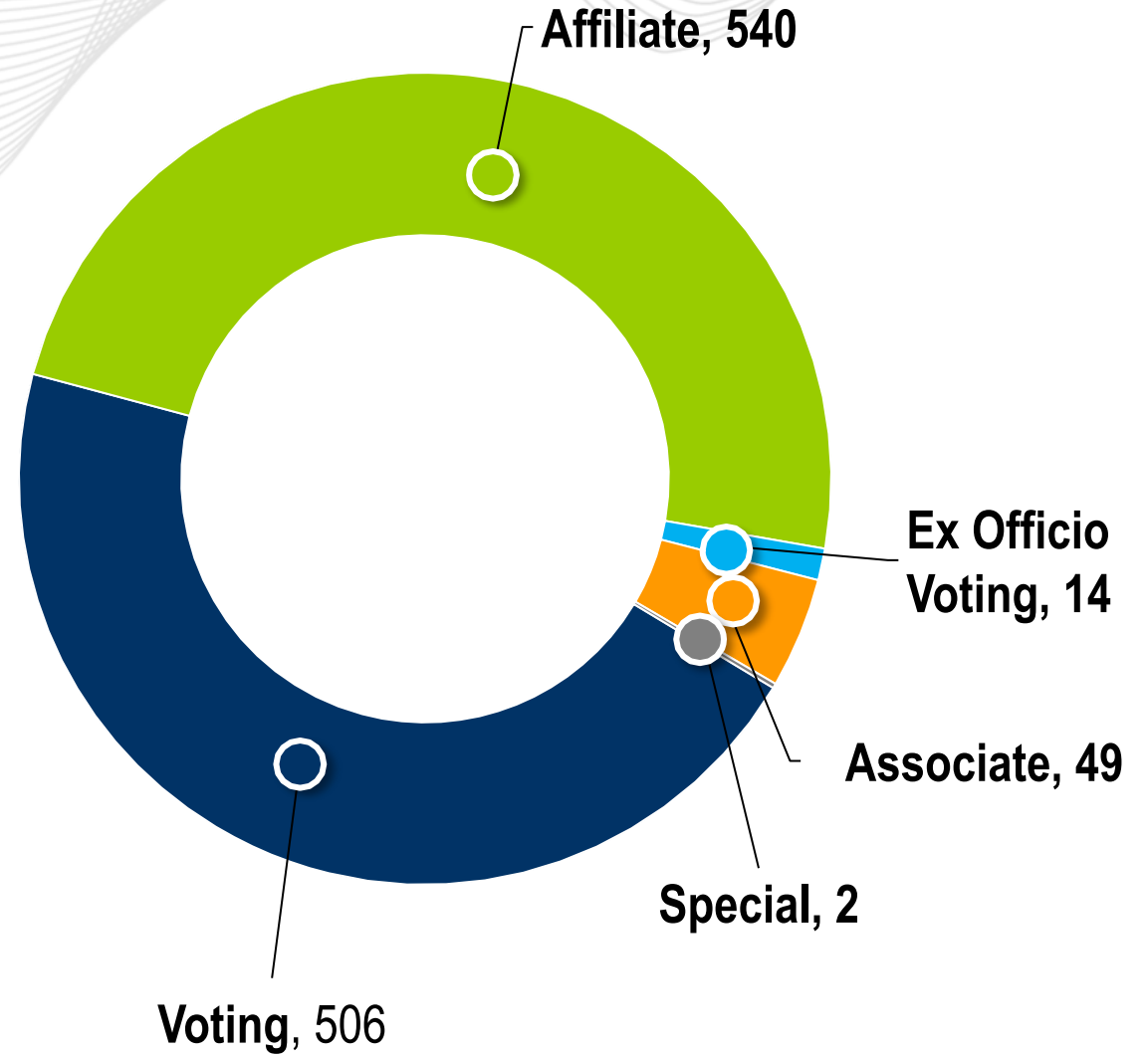
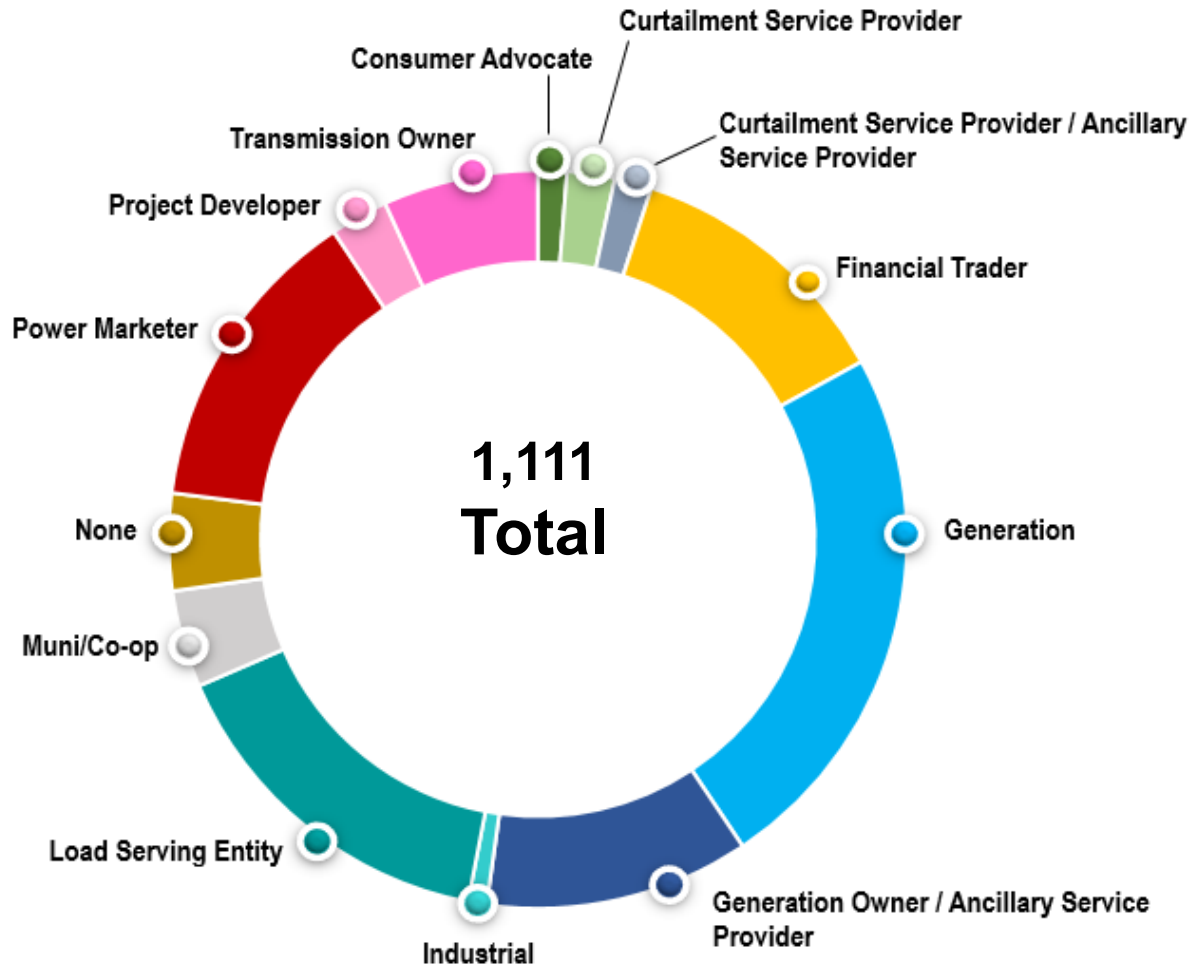
Other Suppliers – members engaged in our markets that do not qualify in another sector:

- 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)



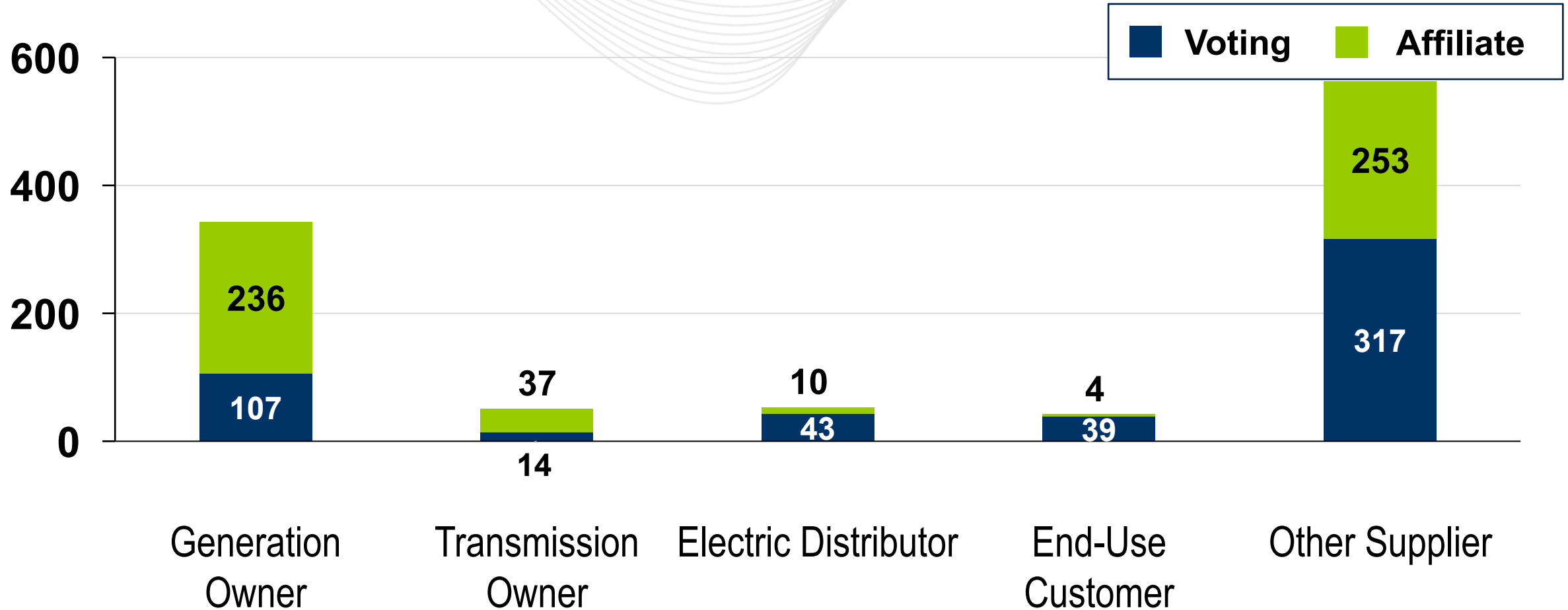
- **Sector Selection Process**
 - New Members Initial Selection
 - Existing Members Sector Recertification and Change Requests
- **Sector Challenge Process**
- **Sector Usage**
 - Committee Representation (Finance Committee, Liaison Committee, etc.)
 - Senior Standing Committee Voting

- Voting Members and Affiliate Members
 - Market Participation and Voting Rights
- Ex Officio Voting Members
 - No Market Participation but Voting Rights
- Associate Members
 - No Market Participation or Voting Rights
 - Can participate in stakeholder activities and PJM trainings.
- Special Members (Emergency Customer Load Reduction Program)
 - No Voting Rights



Voting Status by Member Sector

(as of January 19, 2023)





Stakeholder Process Overview

Purposes of the Stakeholder Process

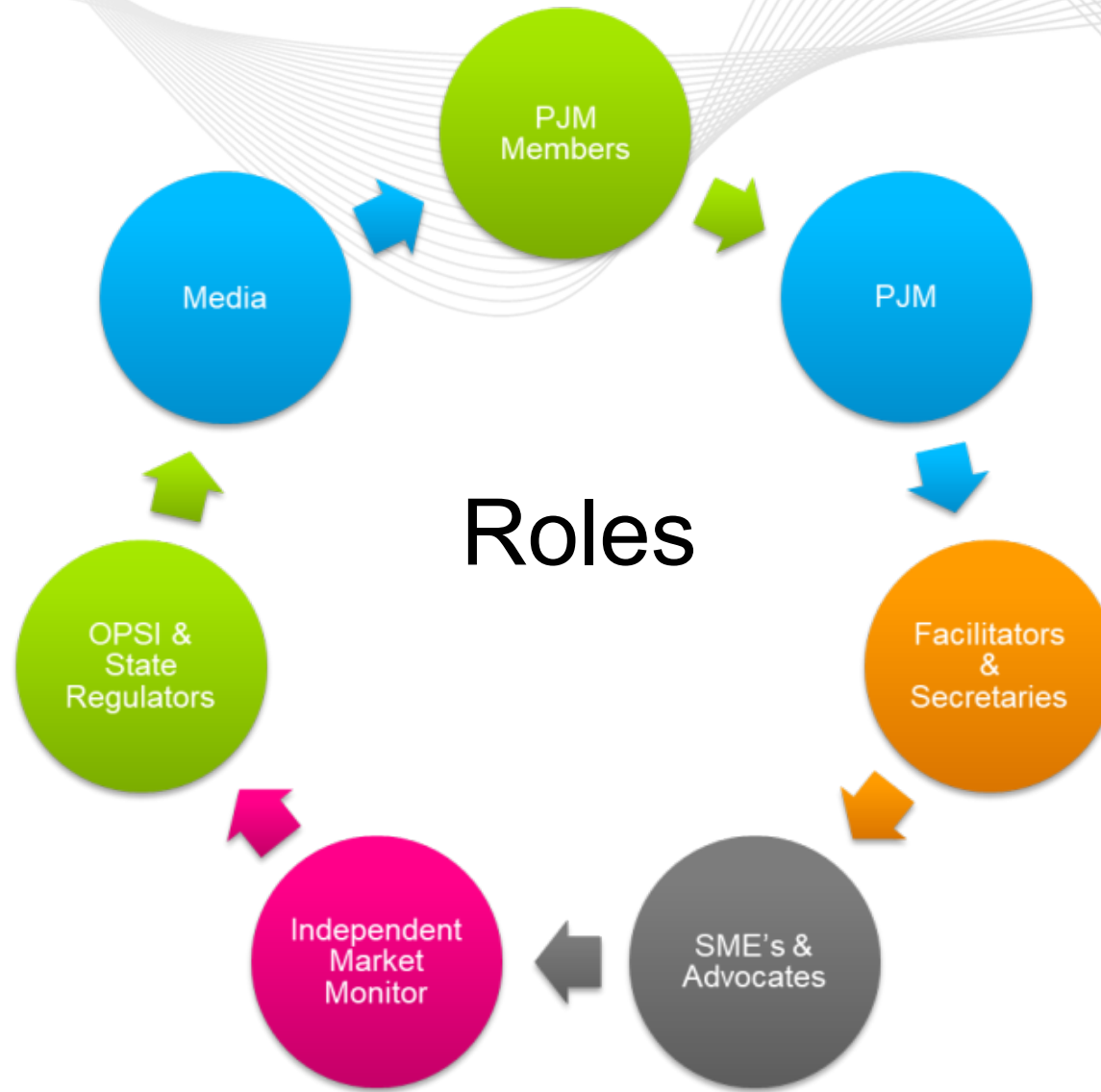
Educate each other on issues related to PJM markets, operations, planning, credit & risk, public policies and industry matters

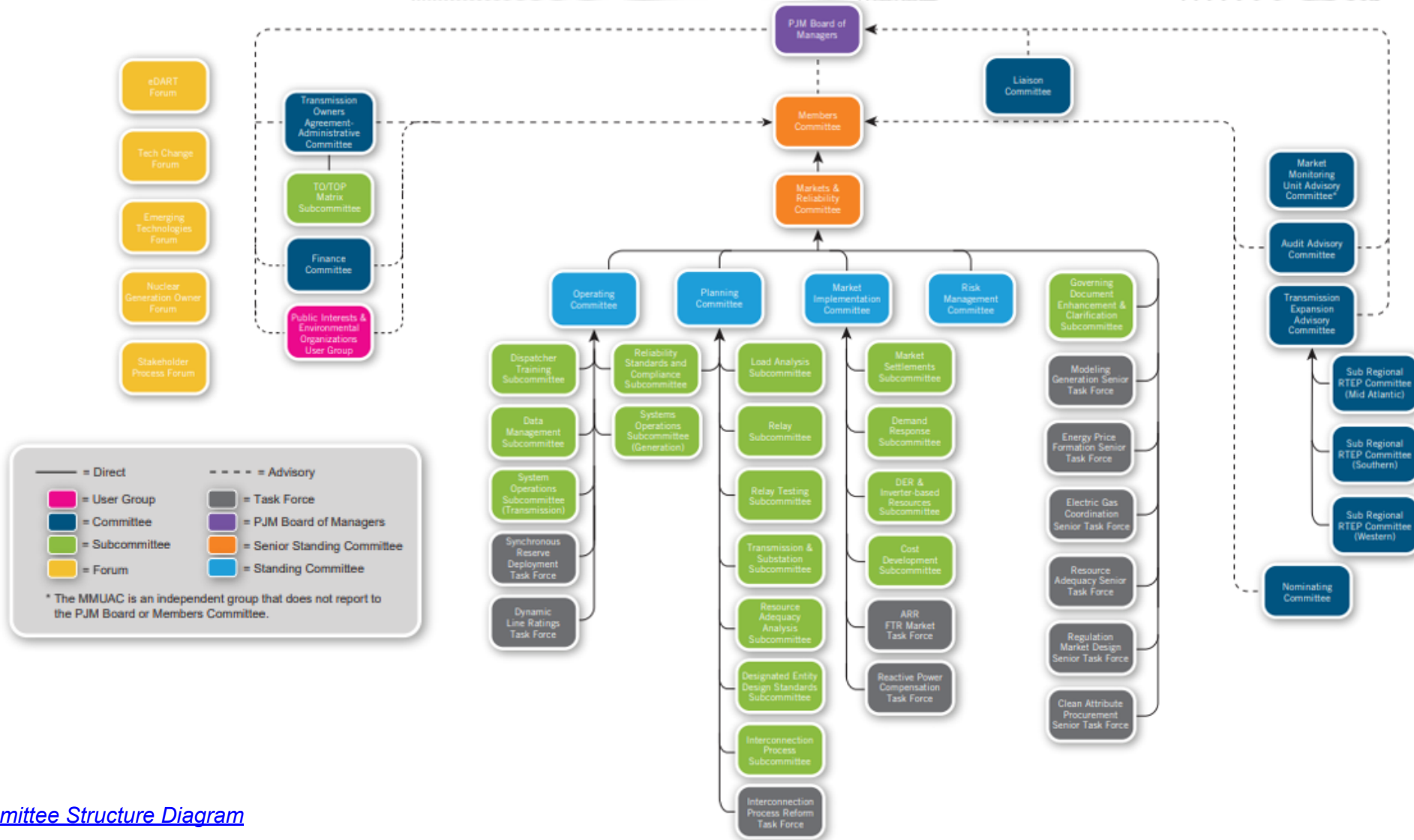
Explore solutions, build consensus, and develop manual / governing document revisions which may help policymakers approve key laws and regulations

Enhance communication among members and between members and PJM management

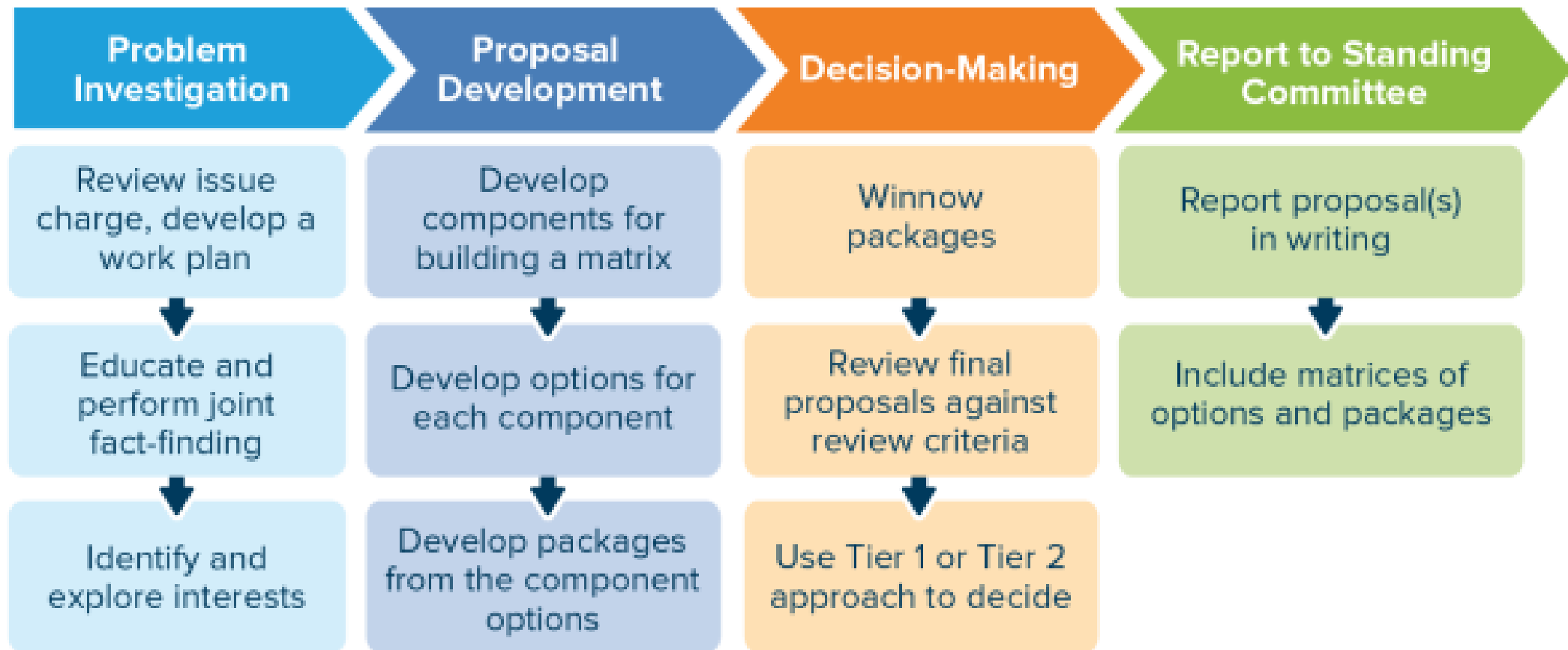
Vet and approve/endorse changes to PJM markets, operations, planning and credit & risk as contained in the OA, Tariff, RAA and manuals

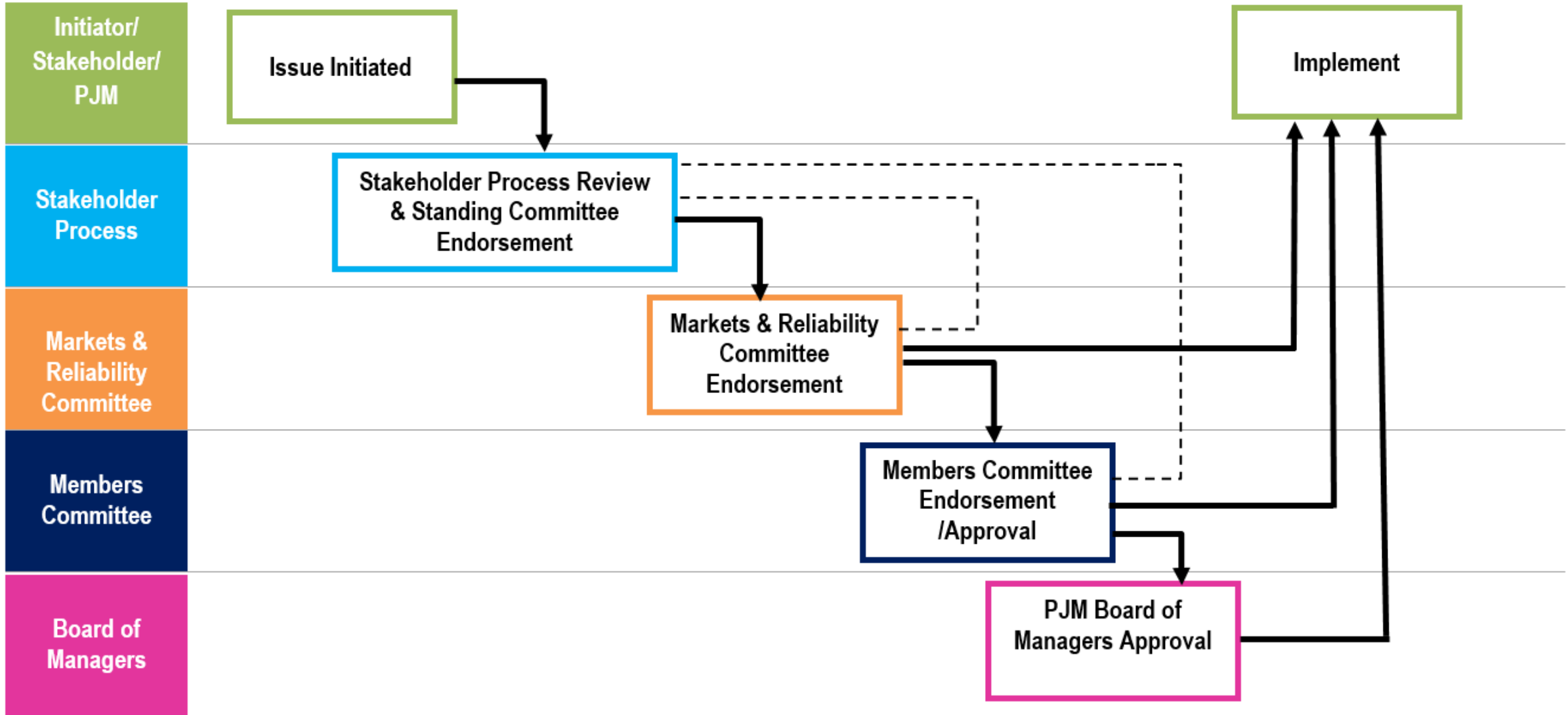


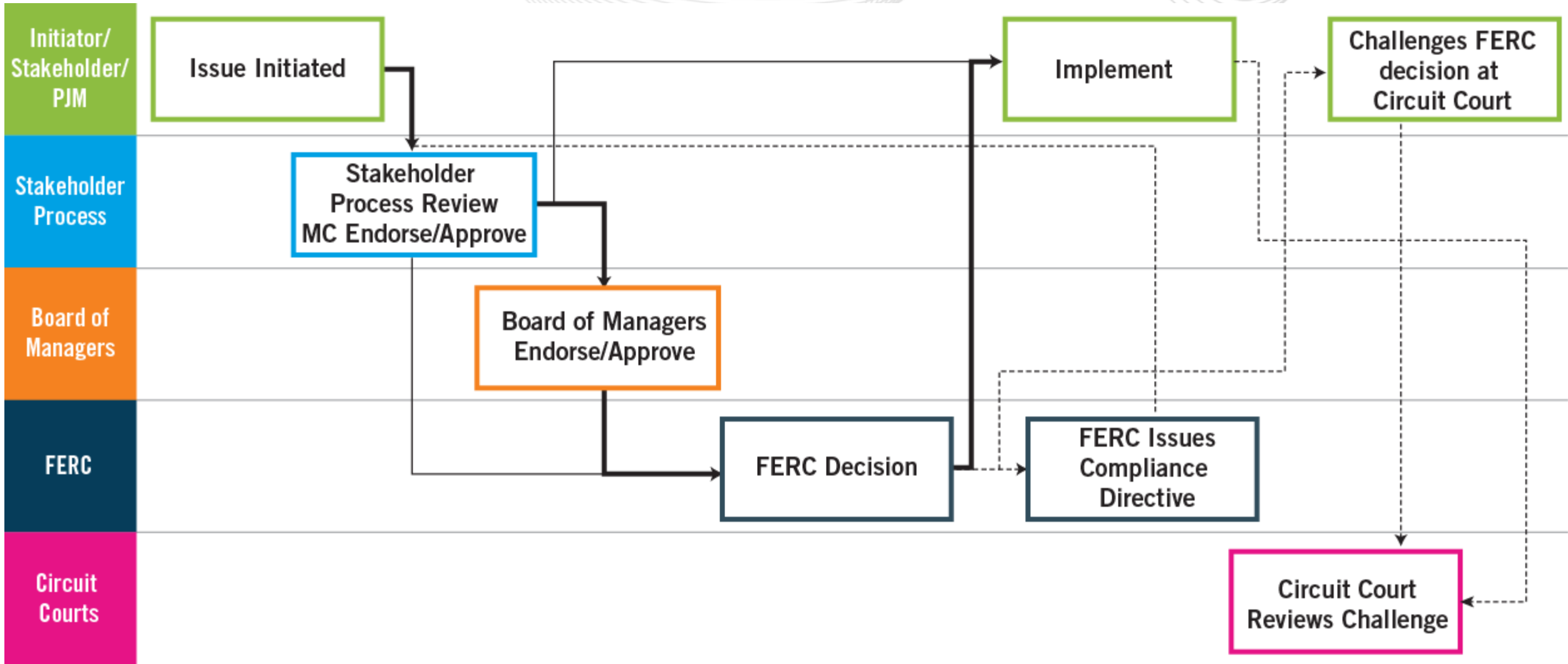




Reference: [Committee Structure Diagram](#)







Decision Making and Rules of Procedure

Non-voting

- Utilizes polling tool and requires no additional access

Voting

- Requires access to PJM's voting application
- Requires designation as a roster representative for the committee or group
- Proxy designation is available

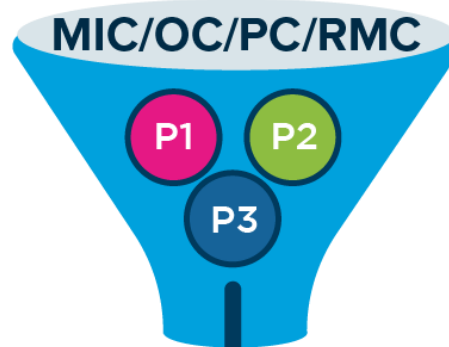
	Stakeholder Group	Who Can Respond	Decision-Making Methodology	Threshold for Endorsement (passing)	Sector-Weighted Voting?	What moves up to Parent Committee?
Non-Voting (Polling)	Sub-Committee	<ul style="list-style-type: none"> • Voting members and affiliates • Ex-Officio voting members • Non-members 	Strive for consensus. (Tier 1). If no consensus is achieved, produce multiple proposals (Tier 2).	Tier 1: All members can live with the proposal. Tier 2: At least three supporting voting members from two sectors.	No	If a consensus proposal cannot be forwarded on to parent committee, multiple proposals are narrowed down and all proposals meeting the threshold are forwarded to parent committee.
	Task Force (Except Sr. Task Force)					

	Stakeholder Group	Who Can Vote	Decision-Making Methodology	Threshold for Endorsement (passing)	Sector-Weighted Voting?	What moves up to Parent Committee?
Voting	Sr. Task Force	<ul style="list-style-type: none"> Voting members and affiliates Ex-Officio voting members 	Strive for consensus. If no consensus is achieved, then vote on multiple options.	Simple Majority and Preferred over Status Quo	No	All proposals that receive simple majority and are preferred over status quo by > 50% are forwarded on to the MRC, with the proposal with the highest majority presented as the main motion. Other proposals that receive a simple majority and are preferred over status quo by > 50% are considered alternative motions ranked in order of votes received
	Lower-Level Standing Committee (MIC/PC/OC/RMC)					

** For a limited number of issues such as Charter approvals the threshold is 1/2.

	Stakeholder Group	Who Can Vote	Decision-Making Methodology	Threshold for Endorsement (passing)	Sector-Weighted Voting?	What moves up to Parent Committee?
Voting	Sr. Standing Committee (MC only)	<ul style="list-style-type: none"> Voting members in good standing Ex-Officio voting members 	Vote on main motion first. If that does not pass, then vote as detailed in motion voting order.	Exceed 2/3**	Yes	
	Sr. Standing Committee (MRC only)	<ul style="list-style-type: none"> Voting members in good standing Ex-Officio voting members 	Vote on main motion first. If that does not pass, then vote as detailed in motion voting order.	Exceed 2/3**	Yes	The first motion voted on that receives MRC endorsement is forwarded to the MC as the main motion.

** For a limited number of issues such as Charter approvals the threshold is 1/2.



Lower-Level Standing Committee

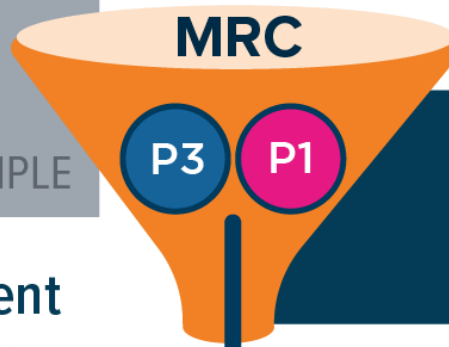
P1 Proposal 1 = 68%
P2 Proposal 2 = 45%
P3 Proposal 3 = 90% EXAMPLE

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

MRC Vote

P3 Proposal 3: (voted first) *3.13
P1 Proposal 1: *4.25
P2 Proposal 2: Not voted on EXAMPLE

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



MRC voting stops when this threshold is reached. *Note: To pass a vote must be greater or equal to 3.335.

MC Vote

Proposal 1 must receive a super majority to pass at the MC



P1 Proposal 1 passes — *4.12 EXAMPLE



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			

- 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.



- Any Member may propose one or more amendments or technical corrections.
- The amendments must be germane to the specific issue.
- The amendments do not require a second.
- An objection can be registered to the proposed amendments
 - If not objected to, the amendment will be incorporated
 - If objected to, it can be moved as an alternative motion

- Alternate motions require a mover and a second.
- The alternative motion must be germane to the specific issue and must be related to a discussion area that was vetted in the earlier CBIR process.
- Motion Voting Order
 - Main Motion followed by amendments/alternative motions in the order received
 - Truncated voting rules apply



Additional Resources and References

Stakeholder Process Forum

PJM Learning Center

New Member Quick Guide

Committee Meetings

At a Glance: The PJM Stakeholder Process

Stakeholder Process Calendar

The screenshot displays the PJM Learning Center website. At the top, there are navigation tabs for 'Electricity Basics', 'Who is PJM?', 'PJM Structure', 'Three Priorities', and 'Energy Innovations'. A featured video titled 'WHO'S WHO IN THE PJM CONTROL ROOM' is prominently displayed. Below this, there are smaller video thumbnails for 'Electricity Basics' and 'Three Priorities'. The main content area shows the 'Committees & Groups' page, which includes a sidebar menu with options like 'Meeting Center', 'Committees', 'User Groups', 'Subcommittees', 'Task Forces', 'Closed Groups', 'Issue Tracking', 'Stakeholder Meetings', 'Tech Change Forum', 'State Commissions', 'Independent State Agencies Committee', and 'WebEx'. The main text explains that PJM interconnection committees and groups are integral to developing and refining PJM's rules, policies, and processes. A diagram titled 'View the PJM Stakeholder Process Groups Diagram' shows the relationship between the 'PJM Board of Managers' and the 'Members Committee'. On the right side, there are buttons for 'Learning Center', 'PJM Store', and 'Member Community', along with contact information: (866) 400-8980 and (610) 666-8980.

- Roles
- Issue Initiation Process
- Mutual Gains Theory
- Consensus Based Issue Resolution (CBIR)
- Cake Example – live practice
- Alternative processes
- Annual work planning process
- Getting Involved

PJM Stakeholder Affairs
StakeholderAffairsTeam@pjm.com

Appendix

- Join email distribution lists to receive all future emails regarding this group
- Register for meetings in Meeting Center
- Join the roster for groups of interest (required for voting representatives)

The screenshot shows the PJM website's user interface. At the top, there is a navigation bar with 'Hi', 'Tools Sign In', and 'Calendar'. A search bar is on the right. Below this is a main navigation menu with links for 'about pj', 'training', 'committees & groups', 'planning', 'markets & operations', and 'library'. The main content area is titled 'My PJM Home' and includes a sub-menu with 'My Email Lists' and 'My Profile'. A callout box on the left highlights the 'My PJM Home' and 'My Email Lists' options. Below this, another callout box highlights the 'My Links' section, which contains links for 'Member Community', 'Learning Center', 'Meeting Center', and 'PJM Tools Sign In'. The 'Meeting Center' link is highlighted in blue. To the right of the 'My Links' section, there are 'Secure Content Areas' and 'User Interface Standards'. Further right, there are sections for 'RELATED INFORMATION' (Training Events, About PJM, Committees), 'FAQs' (How do I update my account information, Will the PJM website remember that I am signed in), and 'CONTACT INFORMATION' (Member Community, phone numbers).

My PJM Home Home > My PJM Home > My Email Lists

My Email Lists

My Profile

My Email Lists

PJM uses a number of lists to send meeting notices, materials, voting or polling results, tool updates and reminders to stakeholders. To subscribe to a list, browse the topic categories and select the lists to which you would like to be added. Once you have made your selections, click the submit button. **Selections will be processed within 10 minutes of submission. Do not attempt to resubmit the selection as this will overwrite the latest request.**

If you don't see an email list in the *Available Subscriptions* box below, you can update your subscription preferences via the [Email List Update form](#) by entering the name of the mailing list which you would like to be subscribed to or unsubscribed from.

	Email List	Subscribed
Committees	ARR FTR Market Task Force	<input checked="" type="checkbox"/>
	Capacity Capability Senior Task Force	<input checked="" type="checkbox"/>
	Carbon Pricing Senior Task Force	<input checked="" type="checkbox"/>
Subcommittees	Energy Price Formation Senior Task Force	<input type="checkbox"/>
	Financial Risk Mitigation Senior Task Force	<input checked="" type="checkbox"/>
Task Forces	Fuel Security Senior Task Force	<input type="checkbox"/>
	Incremental Auction Senior Task Force	<input type="checkbox"/>
	Market Efficiency Process Enhancement Task Force	<input checked="" type="checkbox"/>
	Modeling Generation Senior Task Force	<input checked="" type="checkbox"/>
	Primary Frequency Response Senior Task Force	<input type="checkbox"/>

1. Select Category

2. Select Committee or Group

3. Click Submit

Hi | Tools Sign In | Calendar | search | Go

about pjm | training | committees & groups | planning | markets & operations | library

My PJM Home | Home » My PJM Home

My Email Lists

My Profile

My PJM Home

Manage your meeting registrations and subscriptions to newsletters and email lists.

PJM Functional Organizational Chart (PDF)

My Links

Member Community	Secure Content Areas
Learning Center	User Interface Standards
Meeting Center	
PJM Tools Sign In	

RELATED INFORMATION

- Training Events
- About PJM
- Committees

FAQs

- How do I update my account information, such as my name, email address, phone number or password?
- Will the PJM website remember that I am signed in if my browser does not allow cookies or my cache is cleared?

CONTACT INFORMATION

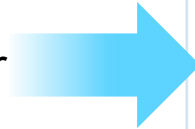
Member ?
Community

(866) 400-8980
(610) 666-8980
Member Relations

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Select Meeting Center



Meeting Center

Status

- Open
- Closed
- Registered
- Canceled

Committees & Groups

- Markets & Reliability Committee
- Members Committee
- Planning Committee

1. Scroll through the list of available meetings

Showing results 1 - 15 of 241
[Load My Filters](#) | [Save My Filters](#)
[Clear Filters](#)

Meetings Select: All | None

Select	Date/Time	Details	Status
<input checked="" type="checkbox"/>	4.7.2020 9:00 a.m. - 4:00 p.m. EPT	Capacity Capability Senior Task Force Conference Call Capacity Capability Senior Task Force	Open

3. Click Register

2. Select Meeting

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

Update roster members using the [Roster Update Form](#).

Meeting Center
Pandemic Coordination
Committees
User Groups
Subcommittees
Task Forces

ARR FTR Market Task Force
Carbon Pricing Senior Task Force
Capacity Capability Senior Task Force

Home > Committees & Groups > Task Forces

Task Forces

Task forces are temporary stakeholder groups that address specific non-routine issues or other duties as assigned within the scope of a defined charter. They are disbanded upon completion of the specific work activity.

Open task forces can be found in the navigation to the left.

Closed task forces

RELATED INFORMATION

- Facilitator Feedback Form
- Roster Update Form**
- Stakeholder Process Quick Guides & Templates
- M34
- Committee Structure Diagram

CONTACT INFORMATION

Access the form from any committee or group page