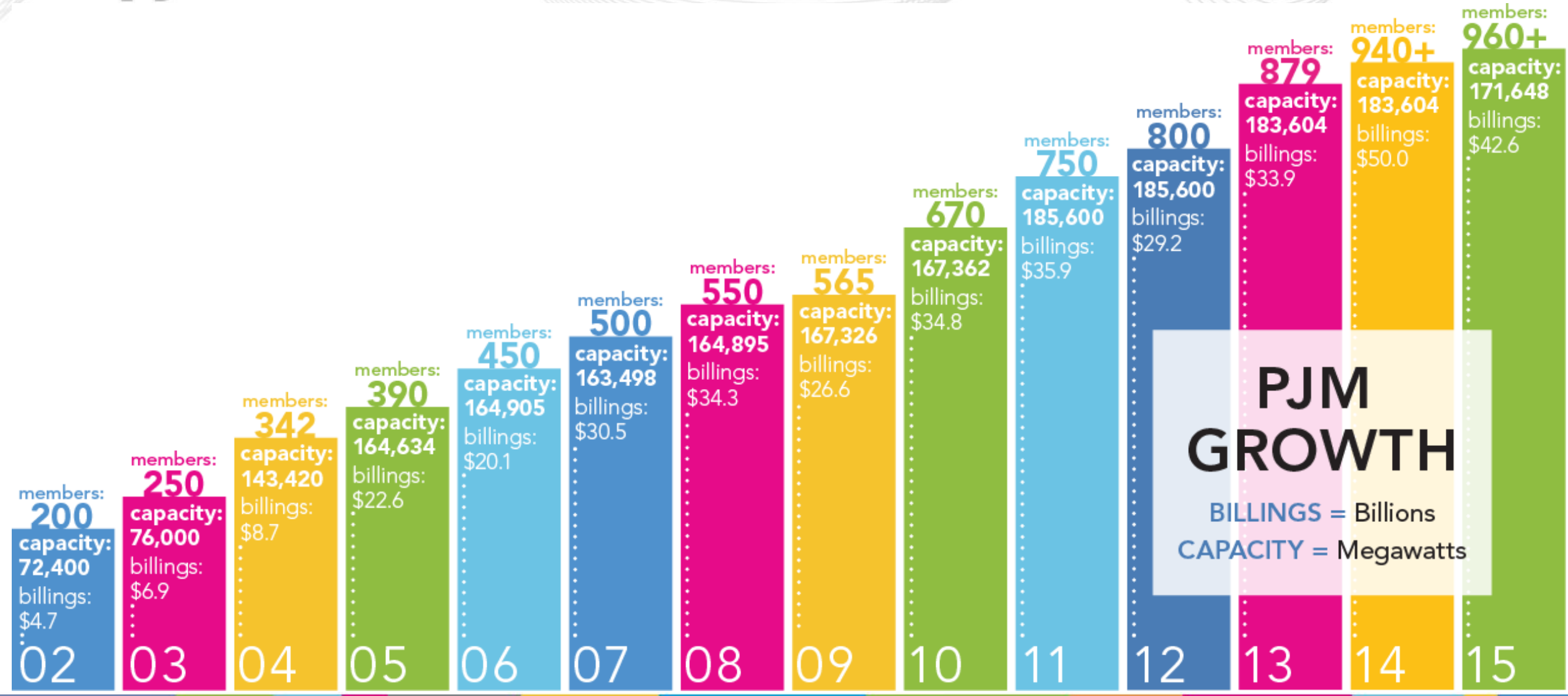




# PJM Stakeholder Process

Harvard Electricity Policy Group  
Washington, DC  
March 10, 2016

Dave Anders  
Director, Stakeholder Affairs  
PJM Interconnection, LLC



## Operating Agreement (OA)

Agreement among Members which established PJM Interconnection, LLC

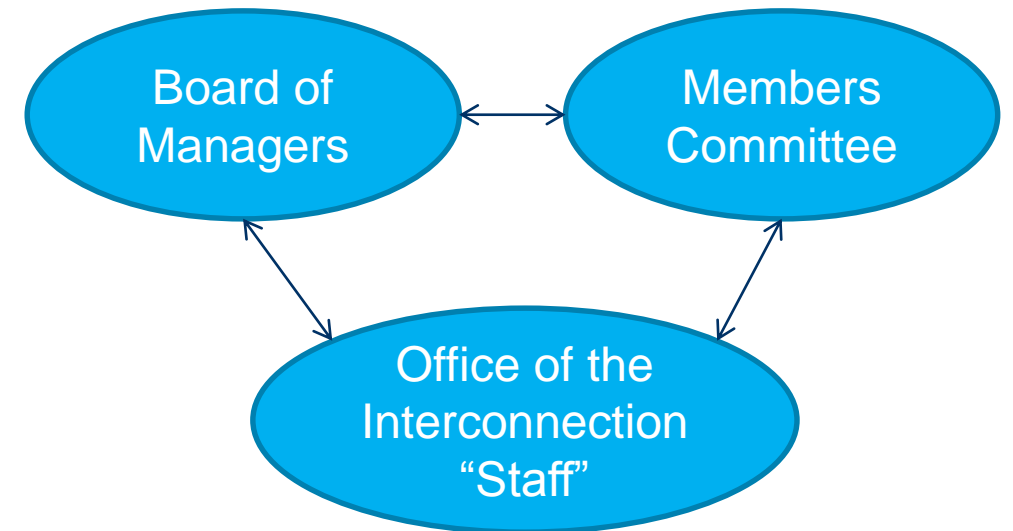
- Governance - Board of Managers, Office of the Interconnection, Members Committee
- Energy Markets, RTEP, others

## Open Access Transmission Tariff (The Tariff)

Rates & Terms of Service

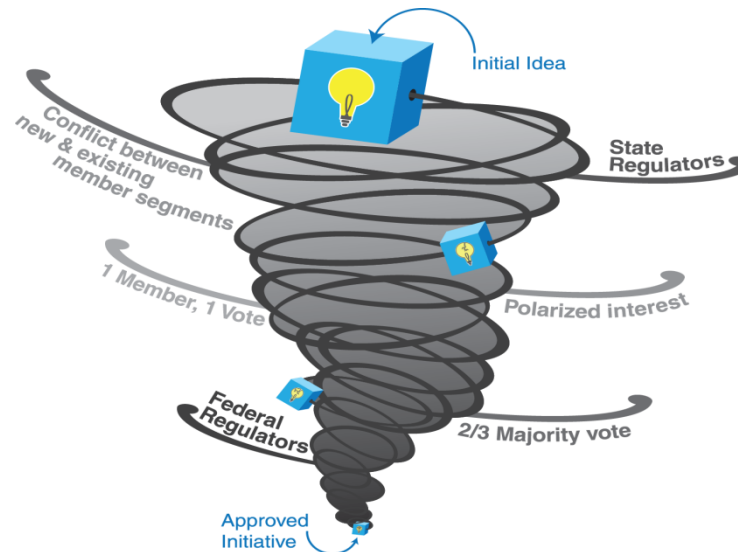
## Reliability Assurance Agreement (RAA)

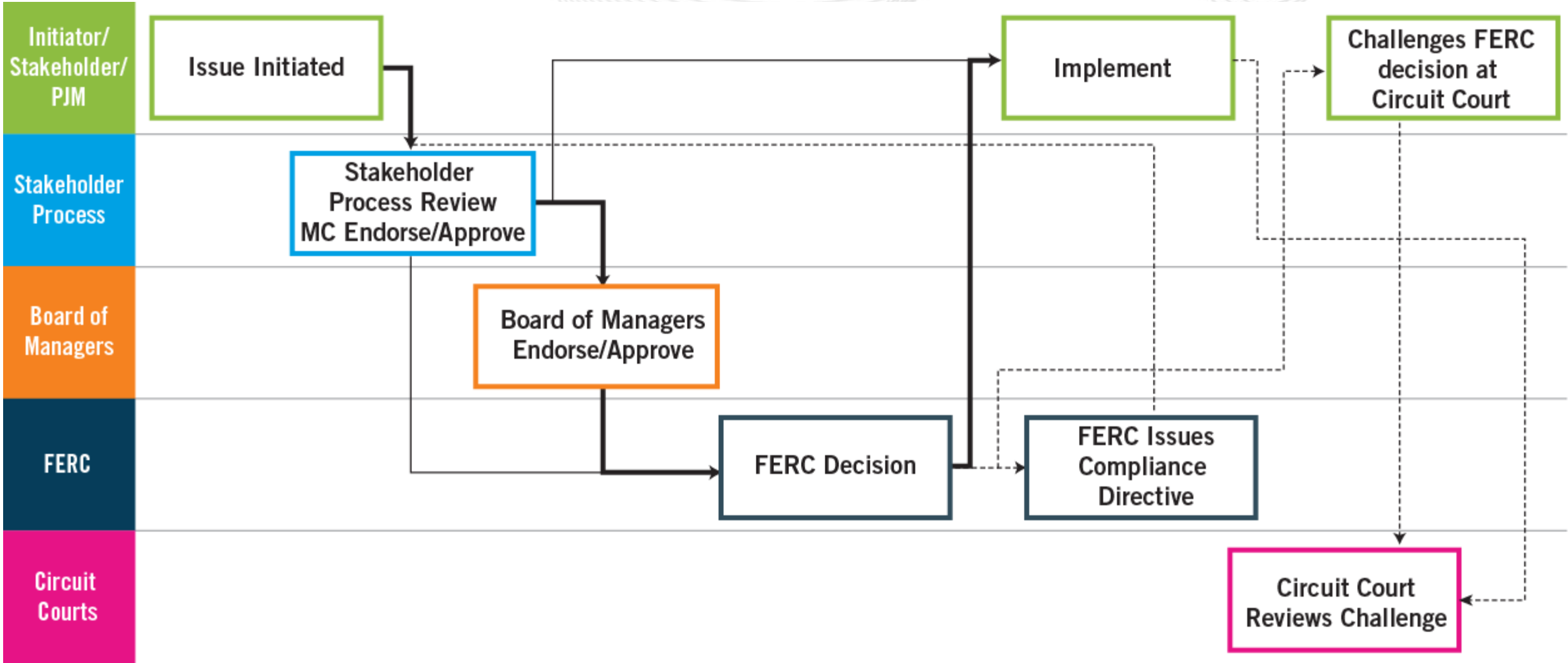
Must be a signatory to be an LSE



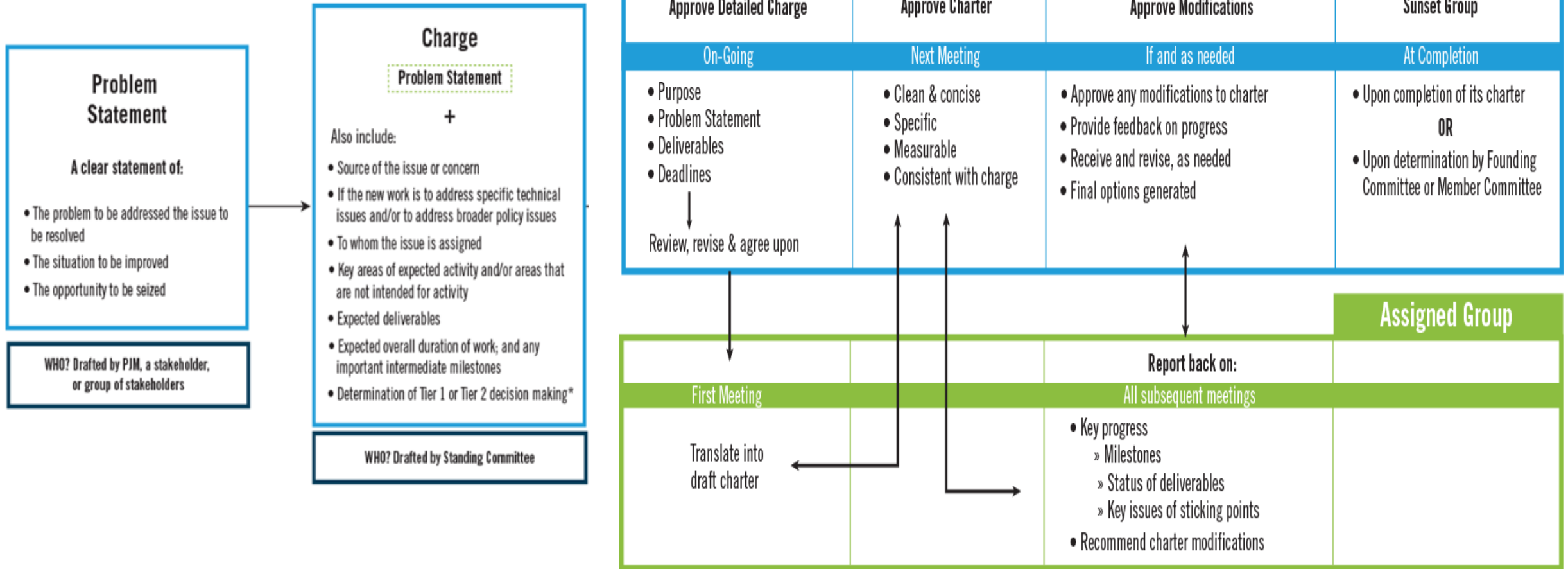
- **Educate** each other on issues related to PJM markets, operations, public policies and industry matters;
- **Explore** solutions, building consensus which may help policy makers approve key laws and regulations;
- **Enhance** communication among Members and between Members and PJM management

## Vet and approve / endorse changes to PJM Markets, Operations, Planning



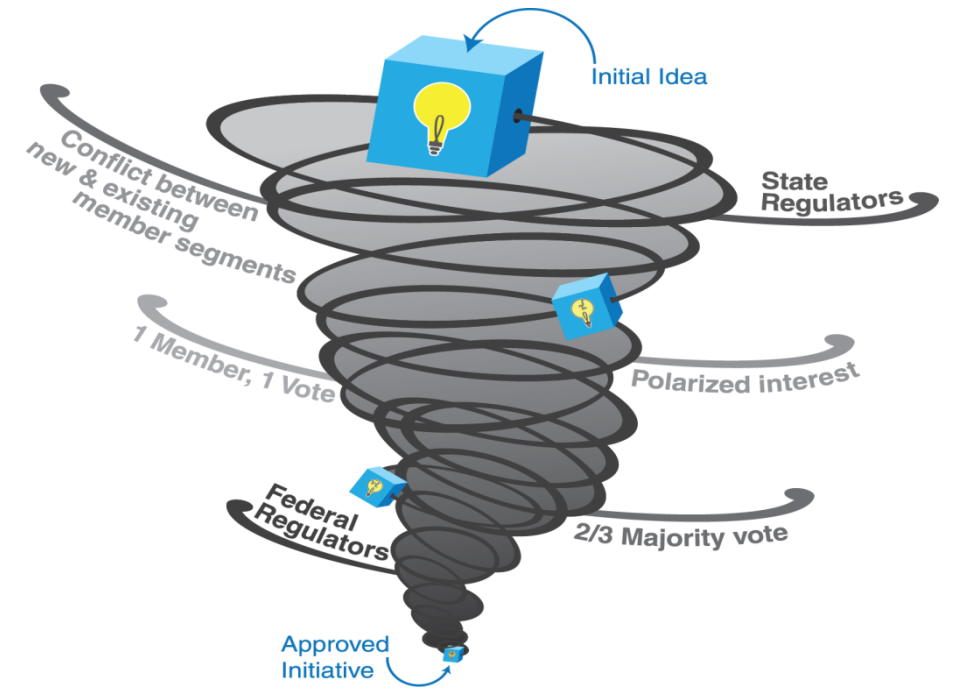


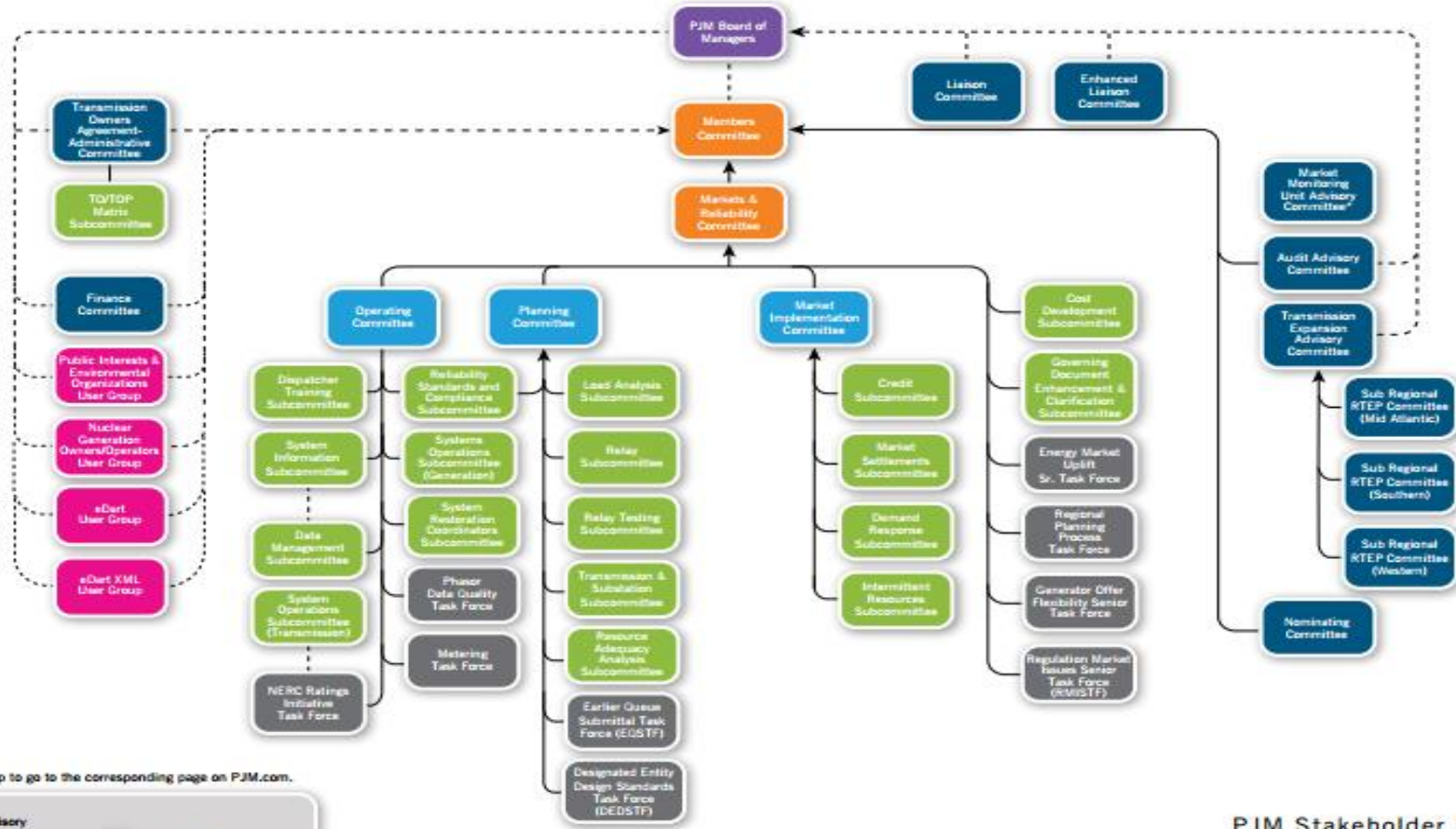
# Consensus Based Issue Resolution Process





- ① Problem Investigation
  - Education & Interest Identification
- ② Proposal Development
  - Design Components
  - Option Development
  - Proposal Development
- ③ Decision Making
  - Winnowing/negotiation
- ④ Reporting





Click on a group to go to the corresponding page on PJM.com.

-----	Advisory	■	Task Force
—	Direct	■	PJM Board of Managers
■	User Group	■	Senior Committee
■	Committee	■	Standing Committee
■	Subcommittee		

\* The MMUAC is an independent group that does not report to the PJM Board or Members Committee.

PJM Stakeholder Process Groups Diagram

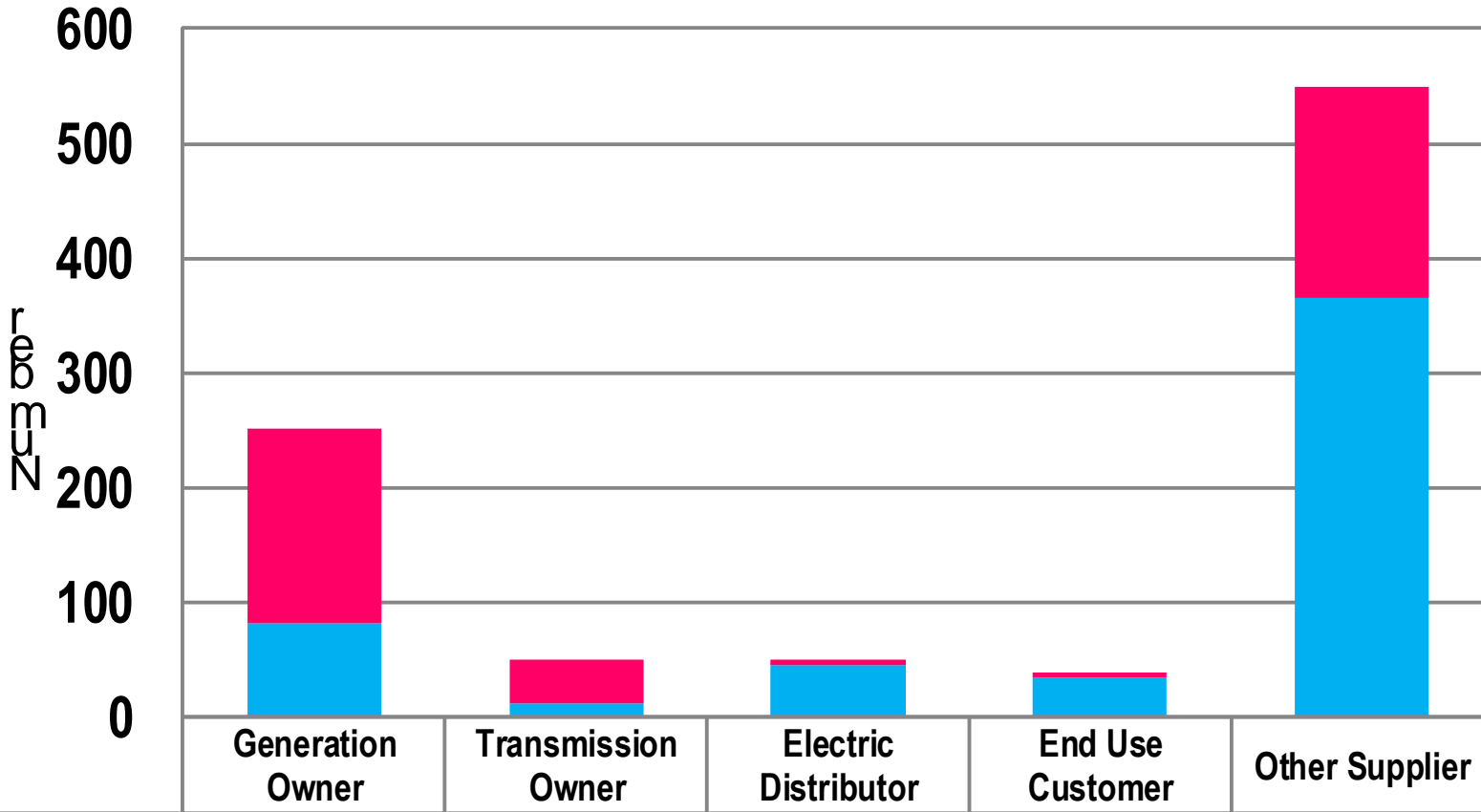






# Sector Weighted Vote Calculation Example

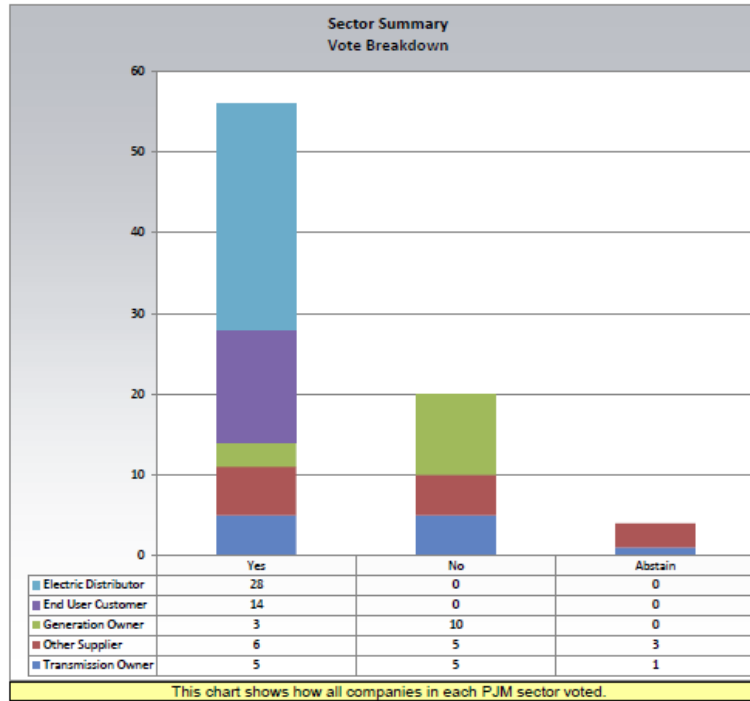
Sector	For	Against	Abstain	% in Favor (of those voting For or Against)
Electric Distributor Sector	8	2	4	0.800
End Use Customer Sector	15	0	1	1.000
Generation Owner Sector	10	10	5	0.500
Other Supplier Sector	3	7	15	0.300
Transmission Owner Sector	12	2	0	0.857
<b>Sum</b>				3.457
<b>Threshold</b>	.667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



Total Affiliates = 401  
 Total Voting = 541  
 Others = 24  
 Total Members = 966

<span style="color: red;">■</span> Affiliate	169	38	5	4	185
<span style="color: blue;">■</span> Voting Member	82	13	46	35	365

- Earlier – GWG – Voting Reports



Additional Detail:

SECTOR SUMMARY VOTE BREAKDOWN								
SECTOR	ELIGIBLE	ATTENDED	DID NOT VOTE	FOR	AGAINST	ABSTAIN	SECTOR VOTE IN FAVOR	SECTOR WEIGHT IN FAVOR
Transmission Owners	14	14	3	5	5	1	50.0%	0.5
Generation Owners	70	20	7	3	10	0	23.1%	0.231
End User Customers	29	15	1	14	0	0	100.0%	1
Electric Distributors	38	31	3	28	0	0	100.0%	1
Other Suppliers	304	48	34	6	5	3	54.5%	0.545
Totals	455	128	48	56	20	4		3.276

- GAST - Enhanced Liaison Committee

	At Least 4 Weeks Prior to ELC Meeting	2 Weeks Prior to ELC Meeting	1 Week Prior to ELC Meeting	ELC Meeting Date	Board Decides After ELC	Feedback to Members After Board Decision
Enhanced Liaison Committee (ELC) Schedule						
Members/PJM Initiate ELC	X					
PJM Posts Senior Committee Report/White Paper (including PJM position)	X					
Members/PJM Identify Facilitator	X					
Members Self-Select Coalitions		X				
Member Coalitions and MMU Submit/PJM Posts Briefing Papers			X			
Board/Members Hold ELC Meeting				X		
Board Renders Decision					X	
Board Provides Feedback to Members						X

Schedule

- PJM posts draft whitepaper part 1 (background material) – 8/1/14 – Complete
- Education and dialogue sessions – 8/12/14 and 8/18/14 – Complete
- PJM posts draft whitepaper part 2 (with package in matrix) – 8/20/14 – Complete
- Stakeholder meeting to present the draft whitepaper – 8/22/14
- **Stakeholder meeting to discuss the draft whitepaper – 9/11/14**
- Stakeholders submit written comments – 9/17/14
- Stakeholder meeting for PJM to receive comments and get clarification – 9/24/14

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Preparation

- PJM issues whitepaper – 10/7/14
- Stakeholders form coalitions by 10/21/14
- Coalition briefing papers submitted and posted by 10/28/14
- Enhanced LC meeting with the Board – 11/4/14

ELC Process

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- Volume of Issues
- Both positive and challenging experiences
- Changes in times/issues have led to a change in stakeholder behaviors
- Polarization
- Voting structure makes people crazy
- Conflicting stakeholder comments and themes
  - PJM biased v. not taking assertive action to “get the market design right”
  - Too rushed v. too inefficient
  - Etc.