

PJM Stakeholder Process: An Overview

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MISO-PJM JCM Meeting
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1. Operating Agreement (OA)

- Agreement among the Members
- Sets up:
 - Governance, Energy Markets, RTEP, others
 - Board of Managers
 - Office of the Interconnection
 - Members Committee

2. The Tariff

- Issued by the FERC

3. Reliability Assurance Agreement (RAA)

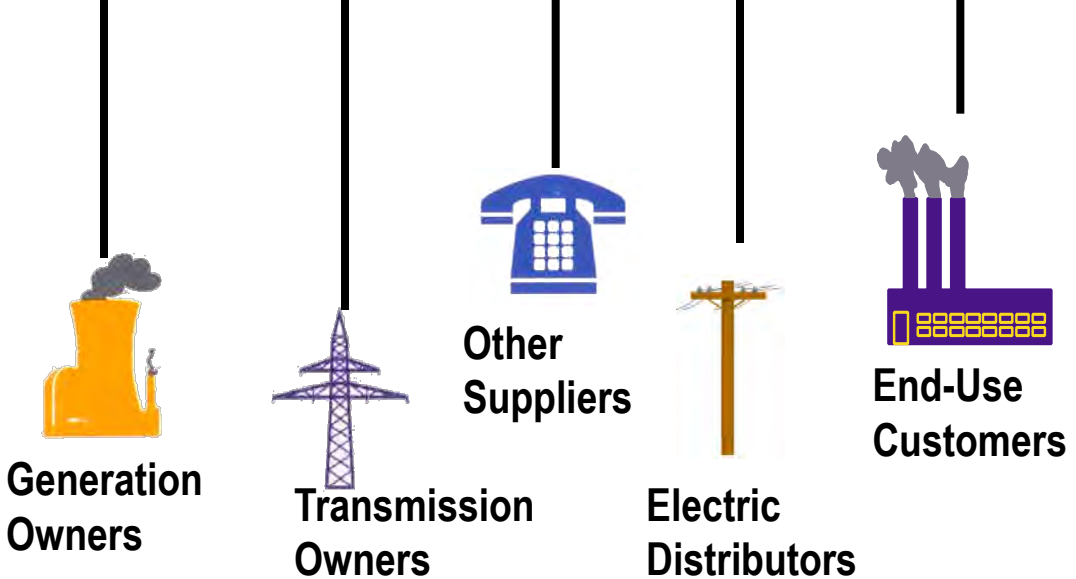
- Must be a signatory to be an LSE

Others:

- Transmission Owners' Agreement
- Joint Operating Agreements
- Manuals
- Manual 34 – PJM Stakeholder Process

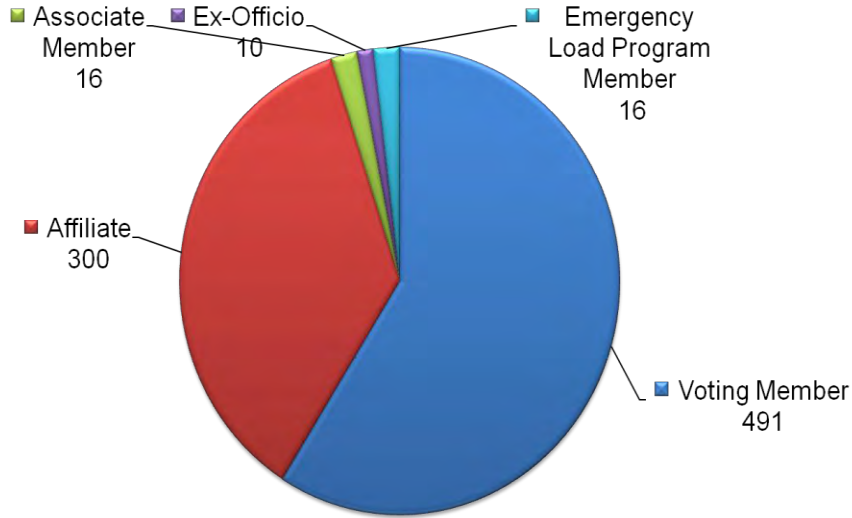
Independent Board (10)

Members Committee (Sectors)

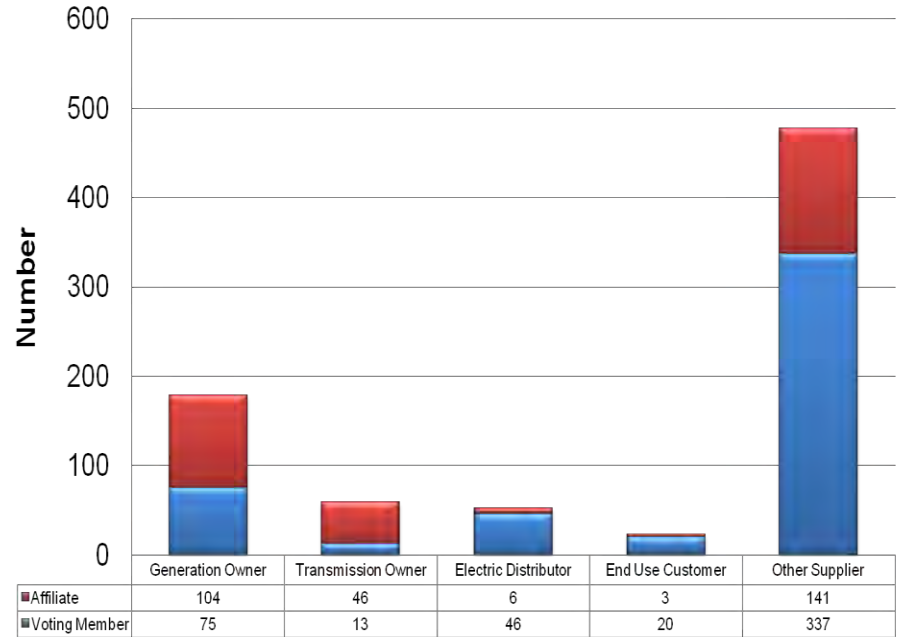


Office of the Interconnection

Membership/Sector Breakdown (as of 4.26.13)



Sector Breakdown



Purposes of the Stakeholder Process

- **Educate** stakeholders on a wide range of issues related to PJM markets, operations, public policies and industry matters;
- **Explore** different solutions, building consensus which helps policy makers approve key laws and regulations;
- **Improve** communication among Members and between Members and PJM management; and to
- **Implement** the powers and responsibilities of the Members Committee and other committees defined in the OA.
 - The powers and responsibilities relevant to the stakeholder process are found in OA sections 3.1 (a), 8.6, 8.8 and 18.6

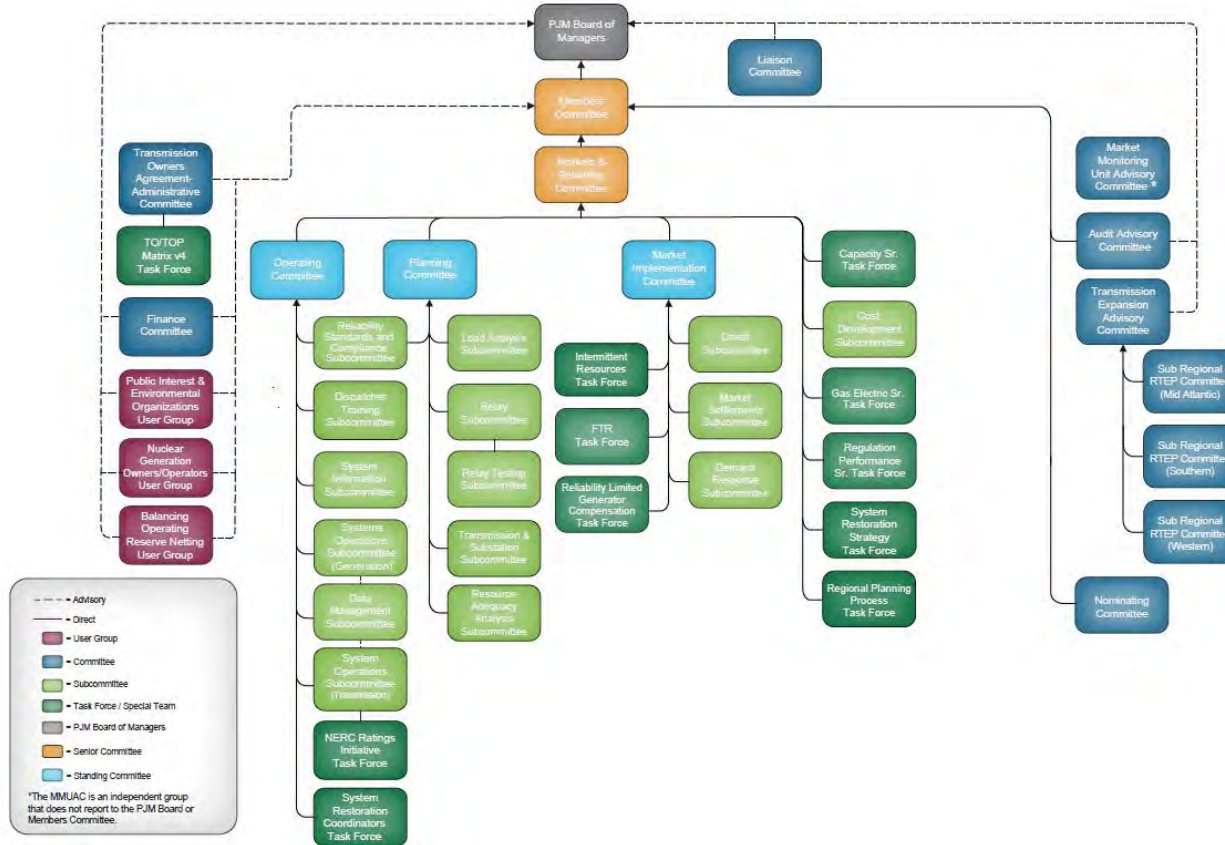
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- All public utilities must file with the Commission all rates and charges for any transmission or sale subject to the jurisdiction of the Commission
- Requires that tariffs, rate schedules, service agreements, and contracts relevant to the services offered must be filed at FERC
- To approve the filings, the Commission must find that the rates are just and reasonable and not unduly discriminatory and preferential

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- Allow the Commission to modify rates upon its own motion or upon motion or complaint.
- Require 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 its alternative rate proposal is just and reasonable.
- It is not sufficient to simply demonstrate an alternative is superior to the current rate.

- **Senior Standing Committees**
 - Members, Markets and Reliability Committee (mustard)
- **Senior Committees**
 - Markets Implementation, Operating, Planning (light blue)
- **Subcommittees**
 - e.g. Demand Response, Credit (light green)
- **Task Forces**
 - e.g. Capacity, Regulation Performance (dark green)
- **Advisory Committees**
 - e.g. Transmission Expansion Advisory Committee (dark blue)
- **User Groups**
 - e.g. Balancing Operating Reserves Netting (mauve)



Initiation

- Problem/Opportunity Statement
- Issue Charge
- Assignment

Consensus Based Issue Resolution

- Problem Investigation
- Proposal Development
- Decision Making
- Reporting to Standing Committees

Voting

- Sub-committees & Task Forces: no voting (consensus driven)
- Standing Committees & Sr. Task Force: simple majority voting
 - All Members
 - Pass > 50%
- Sr. Standing Committees: sector-weighted voting
 - Voting Members only
 - Pass: ≥ 3.335