Stakeholder Process Participation Education

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• Operating Agreement Provisions
• Stakeholder Process Organization Structure
• **Section 11: Members**
  
  – **11.1 Management Rights.**
    
The Members or any of them shall not take part in the management of the business of, and shall not transact any business for, the LLC in their capacity as Members, nor shall they have power to sign for or to bind the LLC.

• **11.3.1 Member Responsibilities**
  
  (c) Provide adequate and properly trained personnel to (i) permit participation in the coordinated operation of the PJM Region (ii) meet its obligation on a timely basis for supply of records and data, (iii) serve on committees and participate in their investigations, and (iv) share in the representation of the Interconnection in inter-regional and national reliability activities. Minimum training for Members that operate Market Operations Centers and local control centers shall include compliance with the applicable training standards and requirements in PJM Manual 01, Control Center Requirements, including the PJM System Operator Training Requirements in Attachment C;

• **11.6, 11.7 – Qualifications for Membership and Associate Membership**
Section 8 – Members Committee

Section 8.1.1 – Sector Designation

Section 8.2 – Representatives

8.2.1 Appointment

Each Member may appoint one representative to serve on each of the Standing Committees, potentially a different person for each committee, with authority to act for that Member with respect to actions or decisions thereof. Each Member may appoint up to three alternate representatives to each such committee to act for that Member at meetings thereof in the absence of the representative. A Member participating in the PJM Interchange Energy Market through an agent may be represented on the Standing Committee by that agent. A Member shall appoint its representatives and alternates by giving written notice thereof to the Office of the Interconnection. Members that are Affiliates or Related Parties may each appoint a representative and alternate representatives to each of the Standing Committees, but shall vote on Senior Standing Committees as specified in Section 8.1.
8.2.2 Regulatory Authorities

FERC and any other federal agency with regulatory authority over a Member and each State electric utility regulatory commission with regulatory jurisdiction within the PJM Region, may nominate one representative to serve as an ex officio non-voting member on each of the Standing Committees.

8.2.3 State Offices of Consumer Advocate

(a) Each State Consumer Advocate may nominate one representative to serve as an ex officio member on each of the Standing Committees. Upon a written request by a State Consumer Advocate to the Office of the Interconnection, and upon the payment of the fee prescribed by section (b) of Schedule 3 to this Agreement, a State Consumer Advocate may designate a representative to each of the Standing Committees who, subject to subparagraph b, shall be entitled to cast one (1) non-divisible vote in the End-Use Customer Sector in Senior Standing Committees. As an ex officio member, a State Consumer Advocate shall have no liability under this Agreement, other than the annual fee required by Schedule 3. The State Consumer Advocates shall not be entitled to indemnification by the other Members under any provisions of this Agreement. Additionally, the State Consumer Advocates shall not be eligible to participate in any markets managed by PJM under the terms contained in this Agreement.
8.2.3 State Offices of Consumer Advocate

(b) Each State Consumer Advocate shall be entitled to cast only one (1) vote in the Senior Standing Committees per State or the District of Columbia. If more than one representative from a given state has been nominated to be a voting member of the Senior Standing Committees, all State Offices of Consumer Advocate from such state that have nominated representatives to vote at the Senior Standing Committees shall designate to the Office of the Interconnection one (1) representative who shall be entitled to vote on all of their behalf’s, prior to being permitted to vote at any meetings of the Senior Standing Committees.

8.2.5 Change of or Substitution for a Representative

Any Member may change its representative or alternate on the Standing Committees at any time by providing written notice to the Office of the Interconnection identifying its replacement representative or alternate. Any representative to the Standing Committees may, by written notice to the applicable Chair, designate a substitute representative from that Member to act for him or her with respect to any matter specified in such notice.
• **8.3 Meetings**
  – **8.3.2 Attendance**
    Regular and special meetings may be conducted in person or by telephone, or other electronic means as authorized by the Members Committee. The attendance in person or by telephone or other electronic means of a representative or a duly designated substitute shall be required in order to vote.
  – **8.4 Manner of Acting**
    (a) The procedures for the conduct of meetings of the Standing Committees may be stated in bylaws adopted by the Members Committee.
    (b) In a Senior Standing Committee, each Sector shall be entitled to cast one and zero one-hundredths (1.00) Sector Votes. Each Voting Member shall be entitled to cast one (1) non-divisible vote in its sector. In the case of a Voting Member comprised of Affiliates or Related Parties, any representative, alternate or substitute of any of the Affiliated or Related Parties may cast the vote of the Voting Member. The Sector Vote of each sector shall be split into an affirmative component based on votes for the pending motion, and a negative component based on votes against the pending motion, in direct proportion to the votes cast within the sector for and against the pending motion, rounded to two decimal places.
8.4 Manner of Acting

(c) The sum of affirmative Sector Votes necessary to pass a pending motion in a Senior Standing Committee shall be greater than (but not merely equal to) the product of .667 multiplied by the number of sectors that have at least five Members and that participated in the vote; provided, however, that the sum of the affirmative Sector Votes necessary to pass a motion to elect a Board Member or to elect the Chair or Vice Chair of the Members Committee shall be greater than (but not merely equal to) the product of .5 multiplied by the number of sectors that have at least five Members and that participated in the vote.

(d) Voting Members not in attendance at the meeting as specified in Section 8.3.2 of this Agreement or abstaining shall not be counted as affirmative or negative votes.

8.5 Chair and Vice Chair of the Members Committee

8.6 Senior, Standing, and Other Committees

8.6.1 Markets and Reliability Committee

8.6.3 Other Committees and Bodies

8.7 User Groups
8.8 Powers of the Members Committee

The Members Committee, acting by adoption of a motion as specified in Section 8.4, shall have the power to take the actions specified in this Agreement, including:

i) Elect the members of the PJM Board;

ii) In accordance with the provisions of Section 18.6 of this Agreement, amend any portion of this Agreement, including the Schedules hereto, or create new Schedules, and file any such amendments or new Schedules with FERC or other regulatory body of competent jurisdiction;

iii) Adopt bylaws that are consistent with this Agreement, as amended or restated from time to time;

iv) Terminate this Agreement; and

v) Provide advice and recommendations to the PJM Board and the Office of the Interconnection.
• **3.1 Purposes**
  
  – The purposes of the LLC shall be:
    
    (a) to operate in accordance with FERC requirements as an Independent System Operator, comprised of the PJM Board, the Office of the Interconnection, and the Members Committee, with the authorities and responsibilities set forth in this Agreement;

• **18.6 Amendment**

• (a) Except as provided by law or otherwise set forth herein, this Agreement, including any Schedule hereto, may be amended, or a new Schedule may be created, only upon: (i) submission of the proposed amendment to the PJM Board for its review and comments; (ii) approval of the amendment or new Schedule by the Members Committee, after consideration of the comments of the PJM Board, in accordance with Section 8.4, or written agreement to an amendment of all Members not in default at the time the amendment is agreed upon; and (iii) approval and/or acceptance for filing of the amendment by FERC and any other regulatory body with jurisdiction thereof as may be required by law. If and as necessary, the Members Committee may file with FERC or other regulatory body of competent jurisdiction any amendment to this Agreement or to its Schedules or a new Schedule not filed by the Office of the Interconnection.
Section 1: Purpose of this Manual

The purpose of this Manual is to establish and explain the rules and operation of the stakeholder process. The Manual also delineates how the PJM stakeholder process will function. Included are:

- roles and responsibilities of the participants in the process;
- the structure of the process; the procedures for initiating investigating, developing, vetting and approving solutions for new issues;
- codification of minority rights; processes for annual planning of work activities to be accomplished in the stakeholder process;
- protocols for operation of the sectors; and
- methods used to provide information and communication transparency between the PJM Board of Managers and the Members.
This Manual contains the procedures for the efficient administration of the stakeholder process; but procedures cannot be separated from, or interpreted apart from, the goals they serve, or the spirit of collegiality and the common sense with which they should be applied. It is the Members who have established in the Operating Agreement (OA), for PJM and for themselves, these three goals:

- “the safe and reliable operation of the Interconnection;
- the creation and operation of a robust, competitive, and non-discriminatory electric power market in the PJM region, and
- the principle that a Member or group of Members shall not have undue influence over the operation of the Interconnection.”

These procedures exist for the Members, and are intended to remain responsive to the Members’ needs.

This Manual was, and revisions shall be adopted by a two-thirds vote of the Members Committee in accordance with sections 8.3, 8.4 and 8.6 of the OA after review by and consultation with all stakeholders. This Manual may be amended by a two-thirds vote of the Members Committee after review by and consultation with all stakeholders. To the extent there is an inconsistency between this document and the OA, the OA governs. Nothing in this Manual which is inconsistent with any provision of the OA shall become effective prior to the FERC’s acceptance of an appropriate filing to amend the OA to remove such inconsistency.
Section 3: Purpose of the Stakeholder Process

The purposes of the PJM stakeholder process are to:

- 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/Board of Managers;
- implement the powers and responsibilities of the Members Committee and other committees defined in the OA. Specifically, the powers and responsibilities germane to the stakeholder process are found in OA sections 3.1 (a), 8.6, 8.8 and 18.6; and
- create technically sound solutions.
– The stakeholder process is the method used by the Members, PJM and other stakeholders to carry out the responsibilities and powers of the Members Committee. This process also recognizes the responsibilities and powers of the Board of Managers, the Office of the Interconnection, the Independent Market Monitor and certain other stakeholders as discussed herein.
The goal of the stakeholder process is to efficiently, effectively and fairly identify, review and make decisions regarding proposed revisions to PJM’s governing documents, processes, market and reliability design and operations. The tools provided herein assist in that process by promoting a greater understanding of issues, collaborative problem solving and consensus building. Ideally, all stakeholders will participate in the process beginning at the lowest level stakeholder group. In doing so, the most comprehensive solutions will be generated, and the inefficiency of re-reviewing material or failed proposals at higher level Stakeholder Groups will be avoided. However, if new information becomes known later in the process, all stakeholders shall retain the right to raise such information or provide alternate proposals in light of previously reviewed material as long as such proposals address the design components.
Section 4: Roles and Responsibilities

4.1 Members and other participants

It is the responsibility of each participant in the stakeholder process to represent its interests in cooperation with all other stakeholders to ensure the reliability of the PJM system and implementation of efficient, fair and transparent markets. Specific responsibilities of the Members include:

- articulating their interests, concerns, and ideas and their basis of support for a particular approach or proposal;
- raising objections and concerns, and the responsibility to provide an alternative if they are not able to agree with a proposal or option;
- alerting the stakeholder meeting facilitator to specific sensitive concerns related to the process or subject matter;
- providing all materials in a timely manner for website posting and notification; and
- adhering to the group’s Charter and work plan, and seeking to complete it in a timely and efficient manner including any regulatory or other deadlines.