

## Preference for Status Quo

### Background

At the January 27, 2021 Members Committee (MC) meeting, Members approved [revisions](#) to Manual 34: PJM Stakeholder Process incorporating changes in the approach and usage for the Preference for Status Quo question when voting on proposals. Specifically, sections 8.3 Decision Making and 8.4 Voting Method were revised and incorporated into revision 10 of [Manual 34](#).

### Revisions

The approved changes include the following:

- All proposals will have a two votes taken – one to determine the simple majority support and another to determine the preference for the proposals over status quo.
- All votes will be taken consecutively with results disclosed at the end after all votes have been completed.
- The preference over status quo question will be binding, so a proposal will be required to exceed two thresholds to move forward to the Markets and Reliability Committee (MRC):
  1. exceed the 50% simple majority threshold, AND
  2. exceed a 50% preference over status quo.
- MRC motion voting order remains solely based on the simple majority threshold percentage in descending order of support. The preference over status quo question is only used to determine if it moves forward to the MRC but has no impact on the ranking of proposals at the MRC.
- Example:
  - Proposal A – 68% simple majority with 59% support over status quo (Moves forward to the MRC)
  - Proposal B - 45% simple majority with 60% support over status quo (Does not move forward to the MRC)
  - Proposal C – 60% simple majority with 47% support over status quo (Does not move forward to the MRC)
  - Proposal D – 63% simple majority with 60% support over status quo (Moves forward to the MRC)
  - MRC Main Motion: Proposal A with the highest level of simple majority support;  
Alternate Motion: Proposal D with the second highest level of simple majority support

### Implementation Principles

The following principles will ensure that we are implementing and applying the rules consistently across committees and groups.

#### Applicability

- The preference over status quo language resides in Manual 34, Section 8.4 - “Consensus Based Issue Resolution at the Standing Committee Level (other than the Senior Standing Committees)”. Per section 8.4, this methodology applies to all official votes at Standing Committees, Senior Task Forces, and Subcommittees that report to the Senior Standing Committees. As a result, the preference over status quo question will be asked

when voting at the MIC, PC, OC, and RMC, as well as at senior task forces and subcommittees reporting to the MRC or MC.

- The applicable Manual 34 sections are specific to Consensus Based Issue Resolution (CBIR) so the preference over status quo question will apply to all proposals resulting from a CBIR or CBIR lite process.
- When utilizing a Quick Fix process, the preference over status quo question will not apply when voting the Issue Charge but will apply when voting on the proposed quick fix solution.
- The preference for status quo question will not apply in the following instances:
  - o votes to approve an Issue Charge,
  - o changes resulting from compliance directives,
  - o administrative changes resulting from periodic Manual reviews, or
  - o changes resulting from other alternative stakeholders processes initiated by the PJM Board action such as the Enhanced Liaison Committee (ELC) or Critical Issue Fast Path (CIFP).
- Task Forces, subcommittees, and other groups that do not report to a Senior Standing Committee use polling rather than voting and may pose the preference over status quo question as part of a poll. The preference over status quo question in these instances would be informative only and not binding in any way.

### Voting

- The status quo question will be asked consecutively following each proposal with all results held to the end. Voting order will be: Proposal A, preference for Proposal A over status quo, Proposal B, preference for Proposal B over status quo, etc. followed by results in the same order: results Proposal A, results preference for Proposal A over status quo, results Proposal B, results preference for Proposal B over status quo, etc.
- Because all votes are taken prior to results being revealed, the preference for status quo question will be asked for all proposals regardless if they have met the 50% simple majority threshold.
- In the event that the committee is asked to vote on a single proposed solution, the committee will still require a vote on the preference for that proposal over status quo.
- If a solution proposal is voted by acclamation, the preference over status quo question may also be asked by acclamation unless a stakeholder objection is received or the vote appears too close to call. In the event that either of these instances occur, the voting application can be used to administer the preference for status quo vote.