

PJM Stakeholder Process Training



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PJM Stakeholder Process Training

- Purpose of the Stakeholder
 Process
- PJM and Governing Documents
- Governance Structure,
 Membership and Sectors
- Stakeholder Process Overview
- Issue Initiation Process
- Mutual Gains Theory
- Consensus Based Issue Resolution (CBIR)

- Introduction to Decision-Making
- Manual & Governing Document Change Processes
- CBIR Process Illustration
- Alternative Stakeholder
 Processes
- Engaging in PJM's Stakeholder Process
- Stakeholder Process Tool
 Demos

Purposes of the Stakeholder Process

Educate each other on issues related to PJM and industry matters Enhance communication among members and between members and PJM management

Explore

solutions, build consensus, and develop corresponding manual/ governing document revisions Vet and approve/endorse changes to PJM markets, operations, planning and credit & risk as contained in the OA, Tariff, RAA and manuals



PJM and Governing Documents



OA

Operating Agreement

HIGHLIGHTS

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

Of Particular Interest:					
SECTIONS:			SCHEDULES		
7	Board		1	Energy Market	
8	Members Committee		2	Components of Cost	
9	Officers		5	Dispute Resolution	
10	Office of the Interconnection		6	RTEP Protocol	
11	Members		18	Confidentiality Rules (section 18.17)	



Open Access Transmission Tariff

OATTHIGHLIGHTS

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

Of Particular Interest:						
ARTICLES: AT			TTACHMENTS:			
Ш	Point-to-Point Transmission Service	DD RPM Mark		Market Monitoring		
111	Network Integration Transmission Service	н	Zonal Transmission Rates	Q	Credit Policy	
IV	Generation Deactivation	нн	PJM Settlements			
VI	New Service Requests	κ	Appendix – Energy Market			

SCHEDULES: 9 Administrative Service Fees

1



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 (LSE)

Reliability Assurance Agreement

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.



Consolidated Transmission Owners Agreement – 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



HIGHLIGHTS

- Agreements between PJM and neighboring FERC jurisdictional utilities (e.g., MISO)
- Includes information and data sharing, coordination of power flows between regions, outage coordination, joint operating during emergencies, coordinated transmission planning, and congestion management, etc.

JOA



Implementing Documents

Other MANUALS

Manuals (Energy, Ancillary Services and Capacity Markets, RTEP, Transmission Planning, Accounting & Billing, Admin., etc.)

- Most endorsed by MRC
- PJM responsibility
- M15 & M34 have different path

NON-MANUAL DOCUMENTS

- Congestion Management Protocol
- Regional Practices Document

PJM's Governing Documents The Reliability Assurance The OA is the Operating Agreement ensures that adequate Agreement and is a foundational capacity resources will be planned document for PJM. and made available. The Consolidated The OATT is also called Transmission the Tariff and contains the **Owners Agreement** is rates, terms and conditions an agreement among the of transmission service. transmission owners. RAV OAI

Joint Operating Agreements between PJM and each of our neighboring FERC-jurisdictional transmission-providing utilities to address cooperation and coordination



FPA Section 205

Governing Documents OATI <

Requires:

Public utilities to file with the Commission all rates and charges for any transmission or sale subject to the jurisdiction of the Commission.

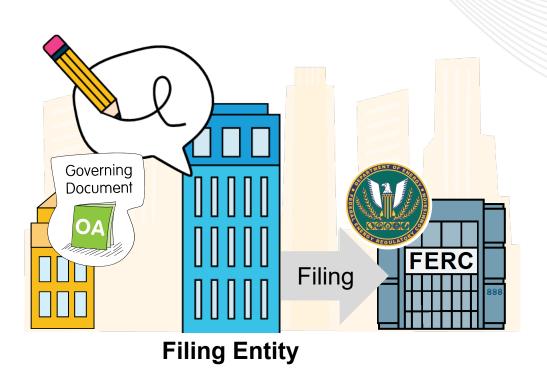
That tariffs, rate schedules, service agreements and contracts relevant to services offered must be filed at FERC.

Filing Entity









Allows the Commission to modify rates upon its own initiative or upon motion or complaint by another party.

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:

Establishing that:

First The Current Rate is unjust and unreasonable.

Second The Alternative Rate proposal is just and reasonable.

It is not sufficient to simply claim an alternative is superior to the current rate.





Who can amend & under what FPA section:

AO		TARIFF	RAA		
Section 205	Requires 2/3 endorsement by Members Committee	PJM can file without 2/3 endorsement of MC and any stakeholder process.	Only the PJM Board has the ability to approve filing proposed amendments.		
	(MC) to amend under FPA 205	TOs have filing rights over certain aspects of the Tariff.	PJM typically seeks endorsement through the stakeholder process.		
Section 206	If 2/3 endorsement is not achieved:				
	PJM Board can authorize PJM to file.	Others can seek changes through filing a complaint.	Others can seek changes through filing a complaint.		
	Others can seek changes through filing a complaint.				



Examples of OA, Tariff and RAA Changes



Energy & Ancillary Services Markets OA Schedule 1 and Tariff Attachment K Appendix





OAT

Interconnection Process

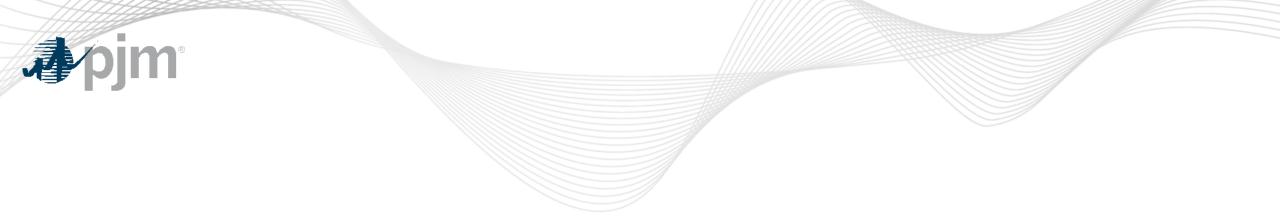
Tariff Sections IV and VI



Who Can File Under 205 & 206?

Who can amend & under what FPA section:

	СТОА	JOAs
Section 205	Only parties to the CTOA	PJM can file without 2/3 endorsement of MC. JOAs are agreements between PJM and other FERC-regulated entities. Revisions to the JOAs are reviewed with stakeholders but are not voted upon. Only PJM and the other parties may file revisions.
Section 206	Others can seek changes through filing a complaint.	Others can seek changes through filing a complaint.



Governance Structure, Membership and Sectors



Independence and Governance Process



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



Typical Member Types by Sector

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

Transmission Owners

Members owning transmission within PJM's footprint:

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

Electric Distributors

Transmission-dependent utilities:

Municipal utilities
 Co-operatives

End-Use Customers

Consumer advocates

End-users within PJM's footprint:

• Large commercial & industrial customers





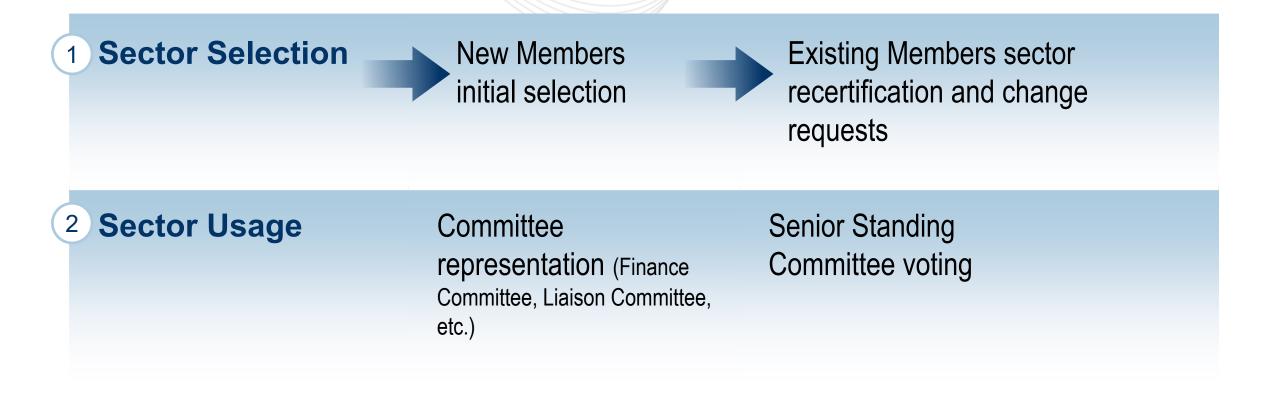
Members engaged in our markets that do not qualify in another sector:

- 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 Functions

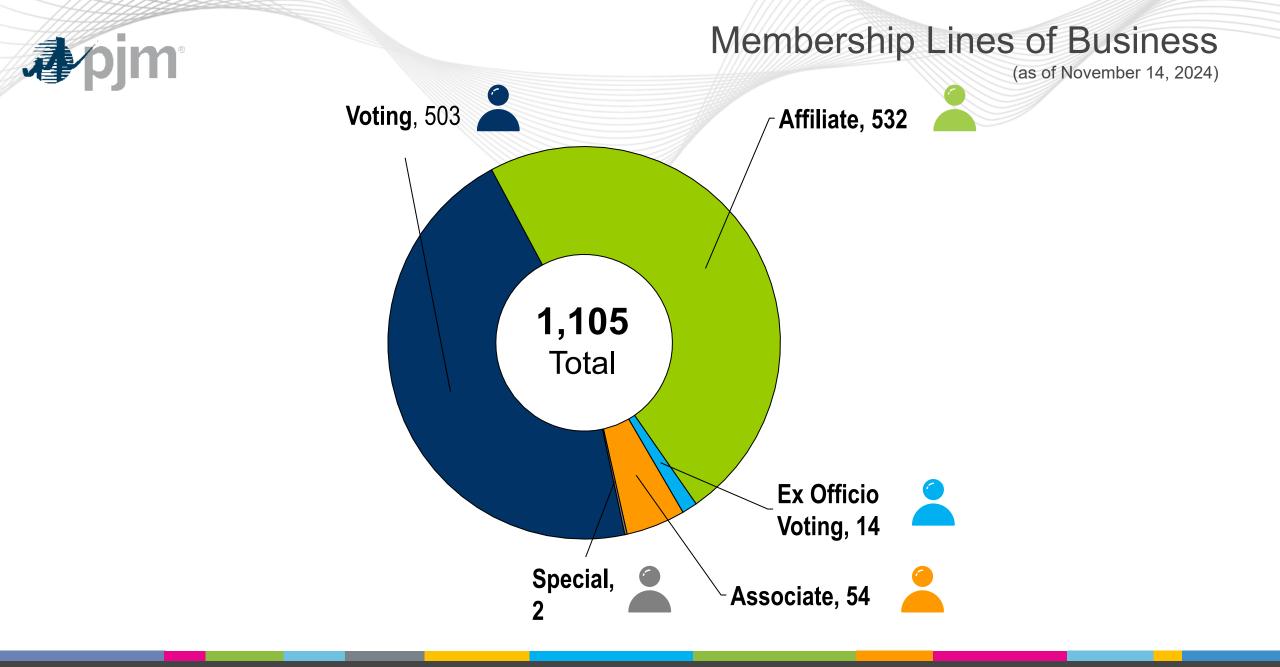


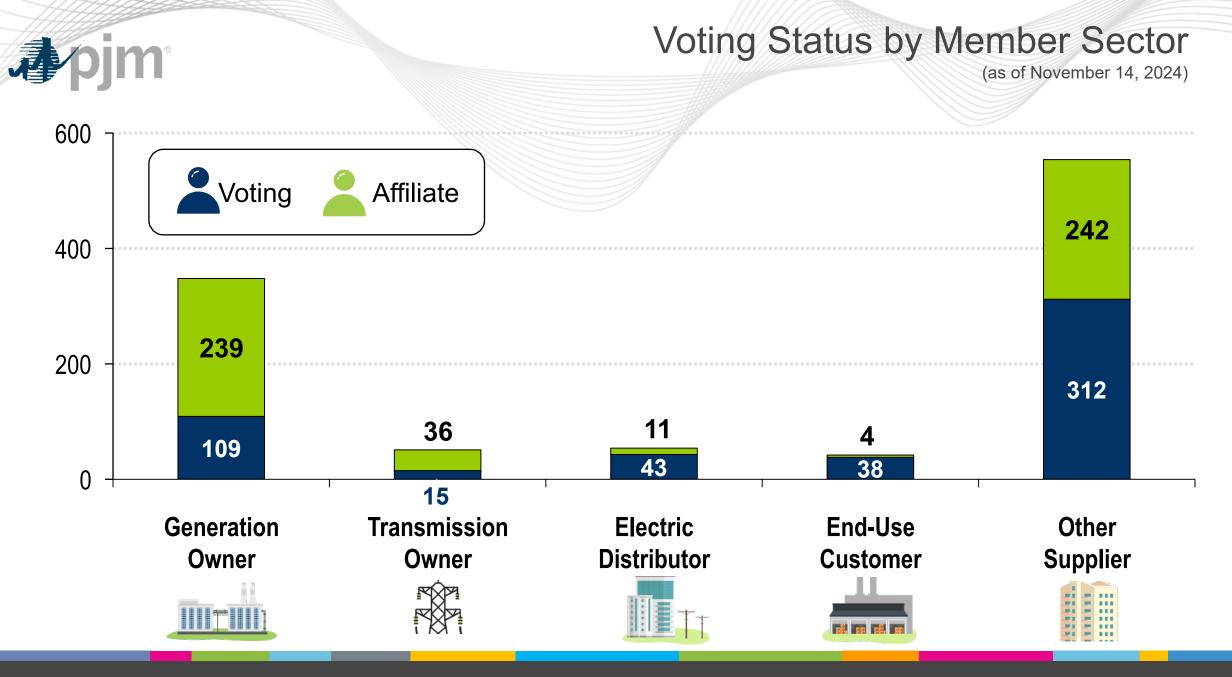


Membership Types



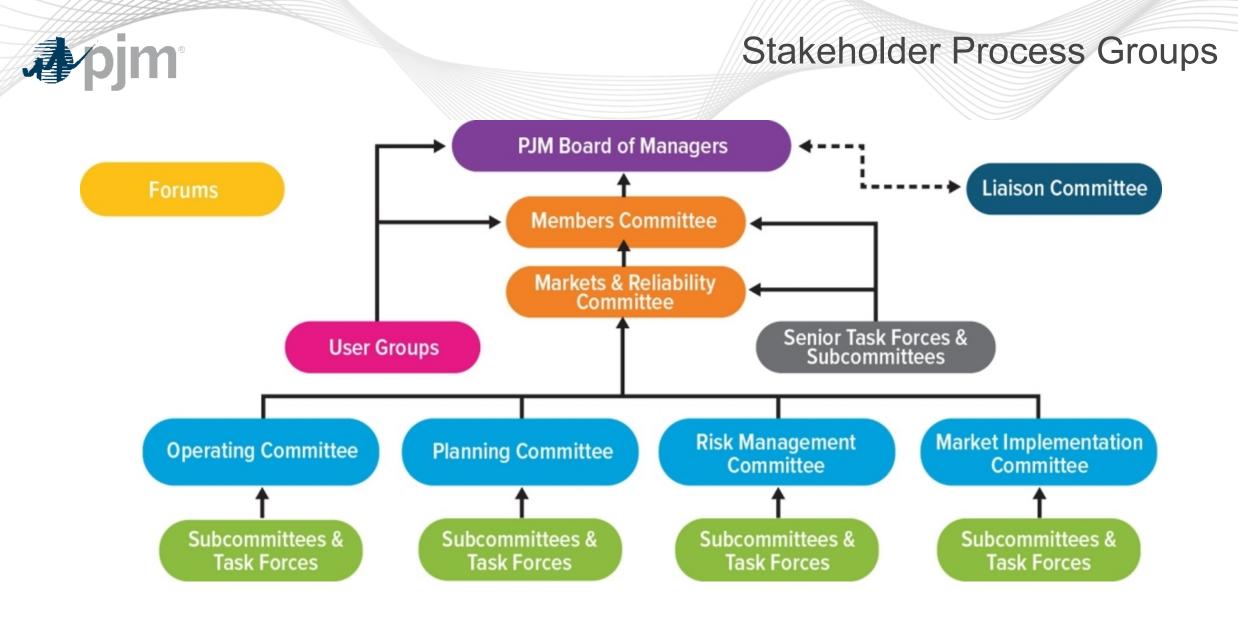
All can participate in PJM stakeholder activities and trainings.







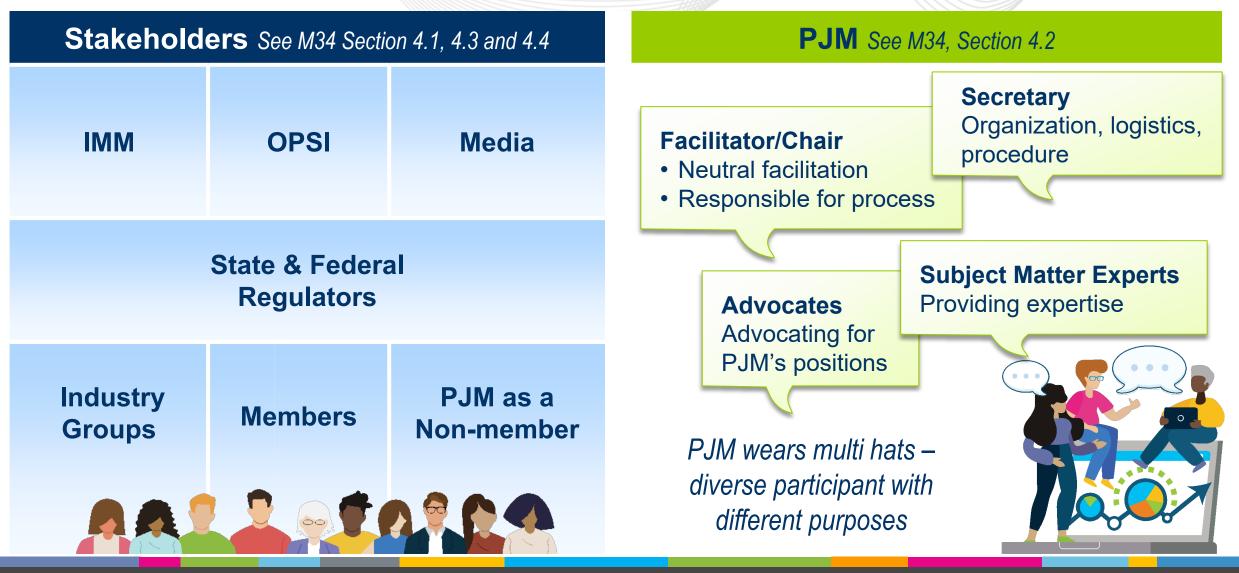
Stakeholder Process Overview

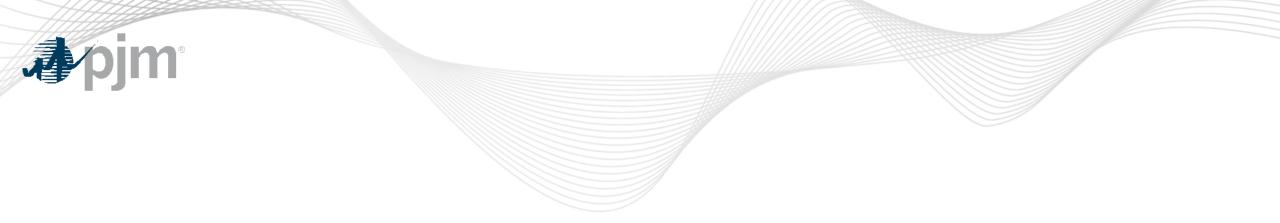


Reference: <u>Committee Structure Diagram</u>

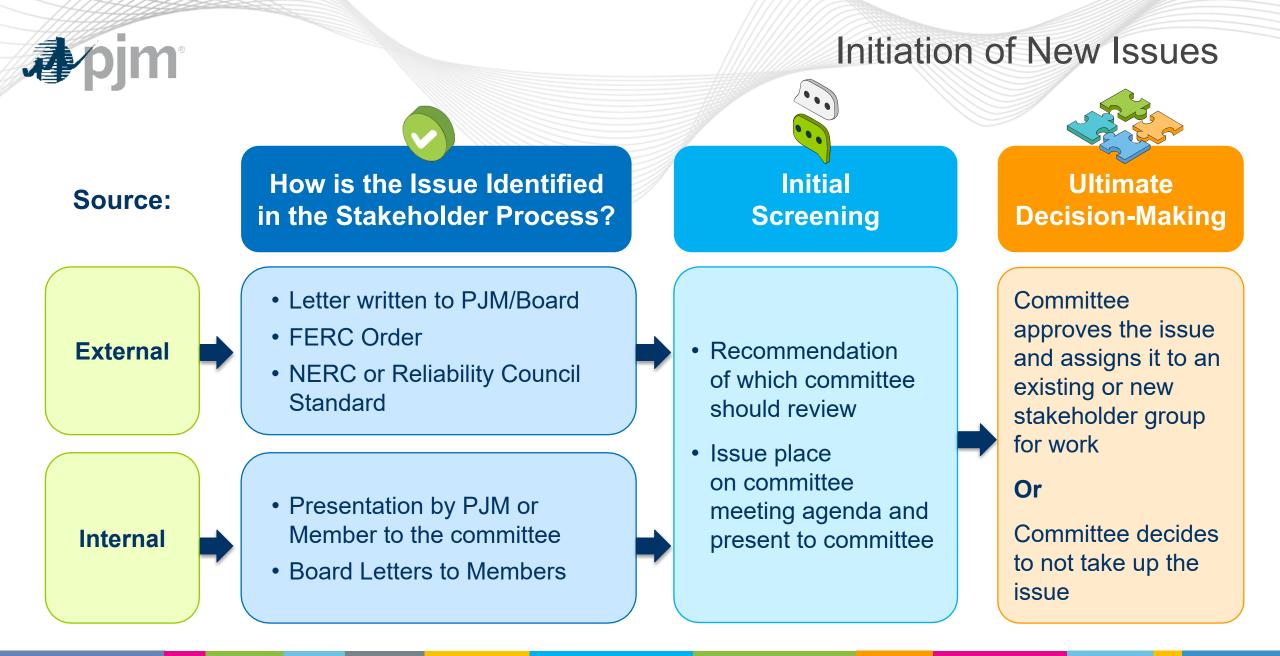








Issue Initiation Process





Problem Statement/Charge/Charter

PROBLEM STATEMENT

† ISSUE CHARGE

A clear statement of:

- The problem or issue
- The situation to be improved
- The opportunity to be seized
- Why it warrants consideration in the PJM stakeholder process

May serve as Charter for new (Senior) Task Forces. Captures logistical details for the intended work including:

- Objectives of the Group
- Expected overall duration of work
- Milestones and deadlines
- Administrative details
- Priority and timing of work
- Assignment of the issue
- Decision-making method
- Determination if Issue Charge
 will serve as Charter

New Charters are only required for the creation of new Standing Committees and Subcommittees. Charter updates may be required for work assigned to an existing Group.

CHARTER

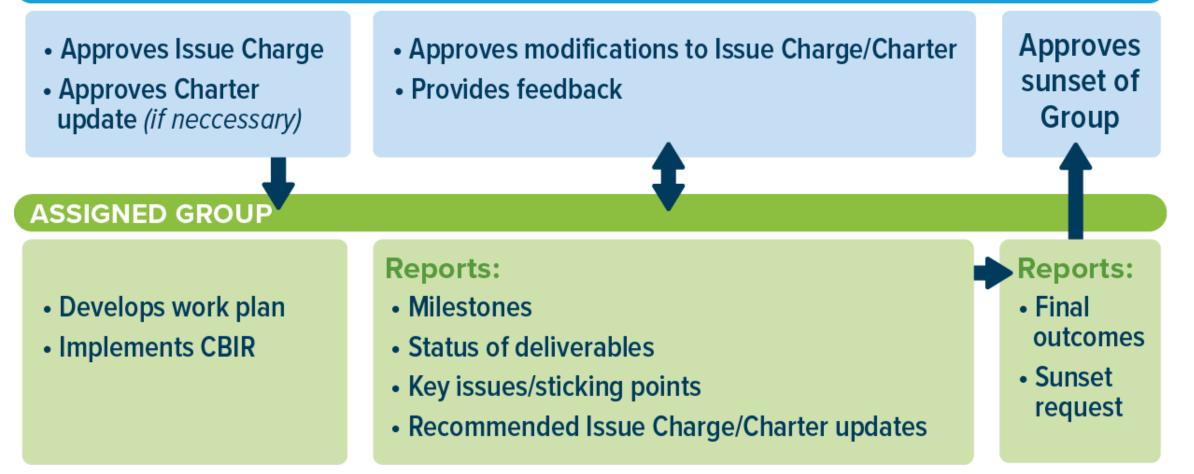
Includes:

- Voting/polling authority
- → Reporting requirements
 - Sunsetting requirements
 - Scope of the Group
 - Milestones and deadlines
 - Responsibilites and expected deliverables
 - Charge or purpose, goals, and objectives of the Group



Issue Life Cycle

PARENT





Annual Work Planning Process

The objective of the annual plan is to document the work to be completed in the coming year

The annual plan should be used where prioritizing issues in the stakeholder process

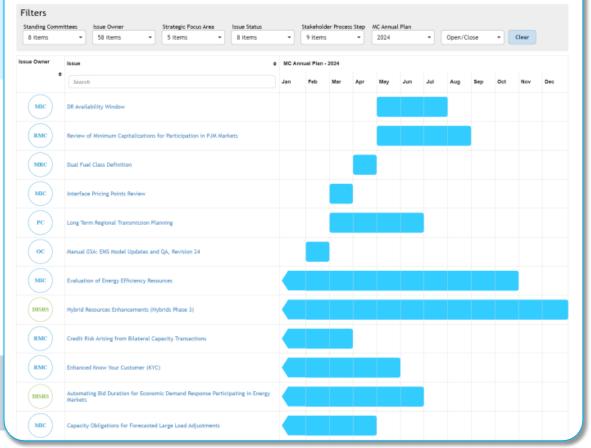
The plan will include issues likely to result in proposals to the Members Committee for approval

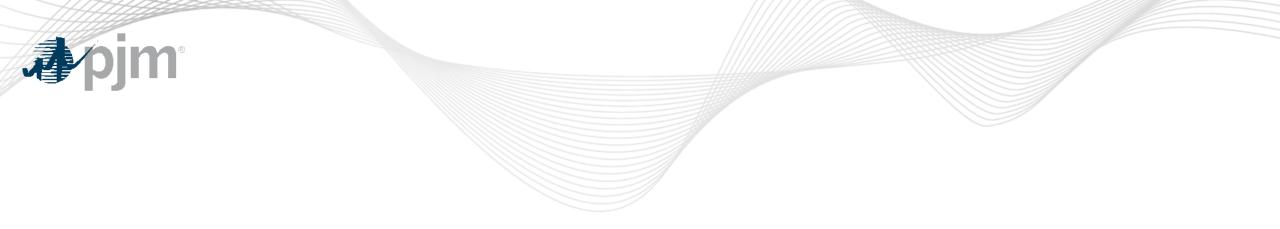
Issues Tracking on pjm.com offers current, searchable updates ome + Committees & Groups + Issue Tracking

Issue Tracking

ssue Tracking provides a comprehensive list of all significant issues affecting PJM and its members. It also provides the ability to track a single issue across the PJM stakeholder process without searching stakeholder roups to monitor progress.

If you don't see an issue below, it may be found in the archived issues list POP.





Mutual Gains Theory

Mutual Gains Theory



Developed at the Consensus Building Institute, with Larry Susskind, MIT professor

Process Model based on hundreds of real-world cases and experimental findings

4 steps for negotiating

better outcomes while protecting relationships and reputation

 Allows parties to improve their chances of creating an agreement superior to existing alternatives Central tenet – parties typically have more than one goal or concern in mind and more than one issue that can be addressed in the agreement they reach

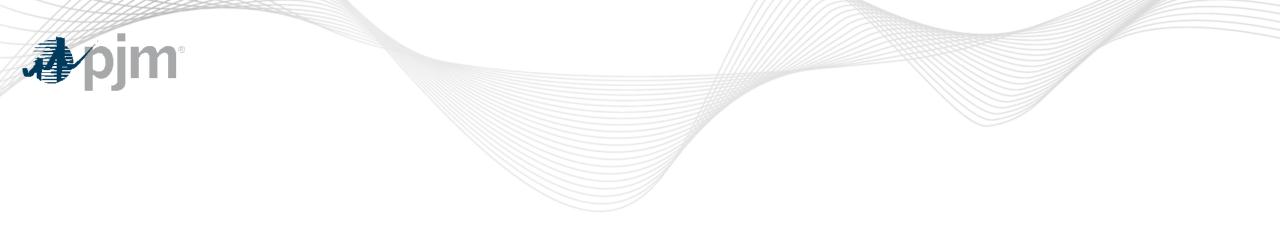
- Emphasizes careful analysis and good process management
- Mutual Gains approach is not the same as "Win-Win"



Mutual Gains is the foundation of CBIR

The Mutual Gains Approach				The CBIR Approach		
1	Prepare	Understand/identify interests and BATNAs of participants		1	Investigation & Education	
2	Create Value	Explore possible solution options and develop solution package based on identified interest		2	Options & Proposals	
3	Distribute Value <i>(i.e., decide)</i>	Weigh options and use objective criteria		3	Narrowing & Decision-Making	
4	Follow Through	Including a means to monitor commitments and keep communication open		4	Reporting & Implementation	

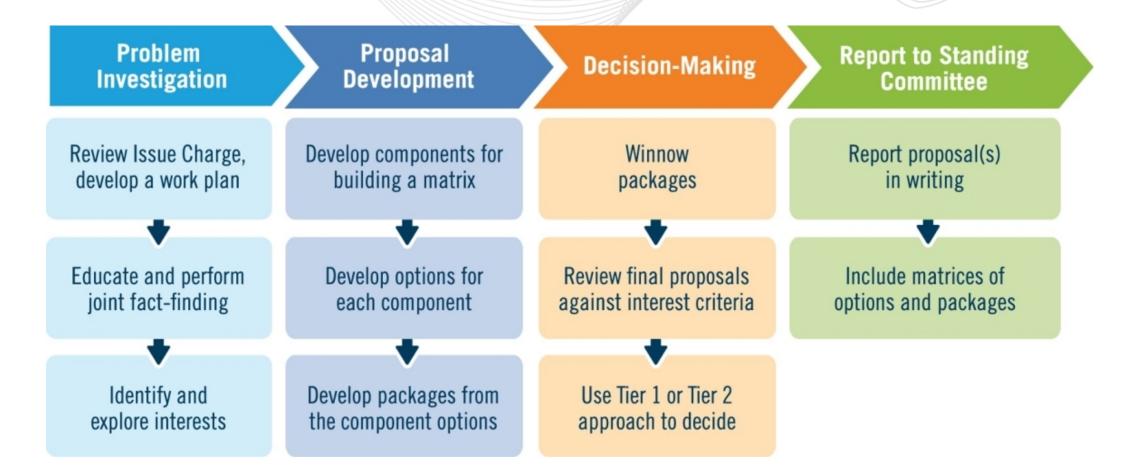
Reference: The Consensus Institute, <u>CBI</u>



Consensus Based Issue Resolution (CBIR)



Stakeholder Process Overview





Consensus Based Issue Resolution: Process

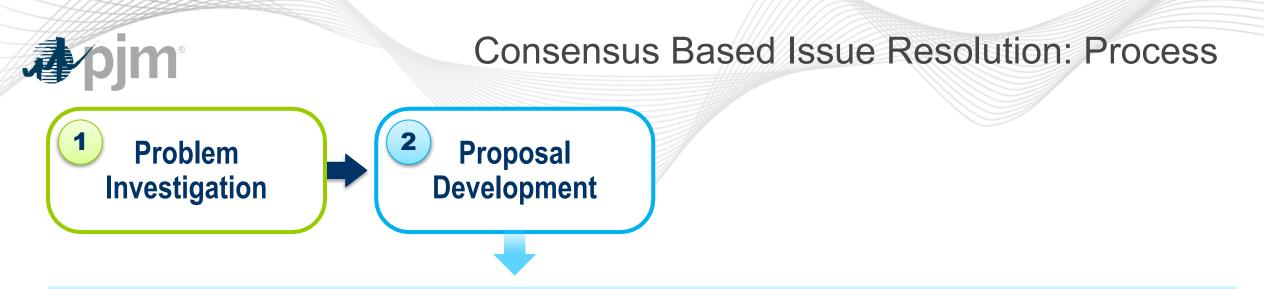


- Develop and maintain a work plan
- Agree on roles, responsibilities, deadlines and goals
- Develop list of topics for coverage
- Describe and document existing operations and procedures
- Determine whether any information necessary to do the work is missing
- Explore and consider "best practices"
- Determine whether outside expertise or assistance may be needed



Identify Interests

- Ask participants to communicate the importance of the issue to their organization
- Ask participants to share the most and least important interests in regard to the issue
- Consolidate responses
- Batch and present visible themes

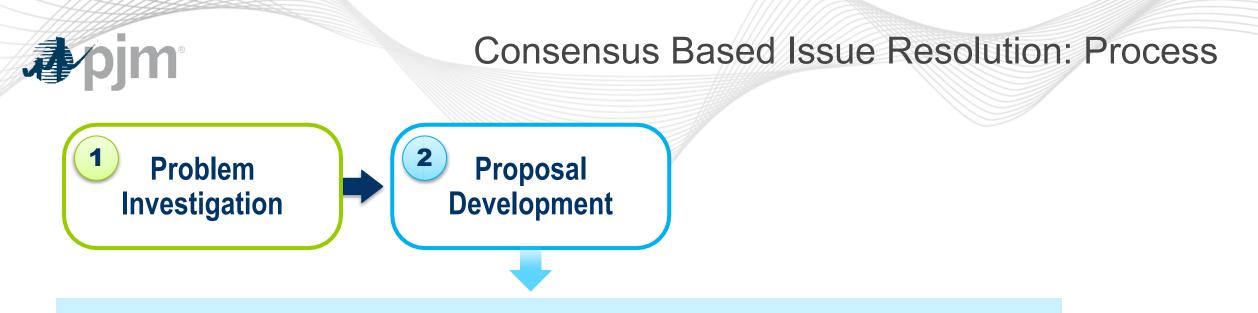


Brainstorm solution options and proposals using a two-step process

Step 1: Options Matrix

- Develop design components
- Identify priority level
- Propose solution options
- Evaluate and narrow down options ("winnowing")

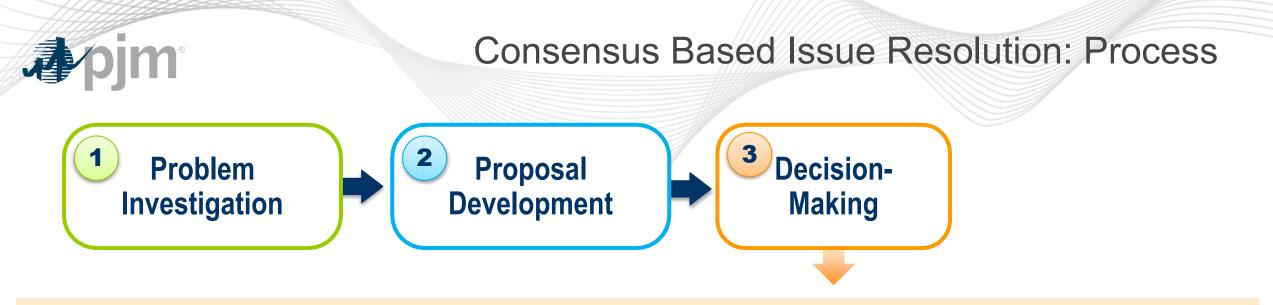
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1 Problem Investigation		Proposa Developme					
Options Matrix:	Priorities	Status Quo	Α	В	С	D	E
Design Component 1	High	SQ Component 1	Option 1A	Option 1B	Option 1C	Option 1D	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2A	Option 2B	Option 2C	Option 2D	Option 2E
Design Component 3	Low	SQ Component 3	Option 3A	Option 3B			
Design Component 4	Medium/High	SQ Component 4	Option 4A	Option 4B	Option 4C		



Step 2: Proposal Matrix

- Discuss development of proposals (packages), encouraging broad stakeholder proposals
- Use solution option for each package
- Identify similarities and differences
- Prioritize, refine and consolidate as best as possible

pjm °		Consen	sus Base	d Issue I	Resolutio	on: Proce
1 Problem Investigation	2	Proposal Developmen	t			
Proposal Matrix:	Priorities	Status Quo	Proposal A	Proposal B	Proposal C	Proposal D
Design Component 1	High	SQ Component 1	SQ Component 1	Option 1A	Option 1E	Option 1E
Design Component 2	Medium	SQ Component 2	Option 2C	Option 2B	Option 2D	Option 2D
Design Component 3	Low	SQ Component 3	SQ Component 3	Option 3B	Option 3A	Option 3B
Design Component 4	Medium/High	SQ Component 4	Option 4A	Option 4C	Option 4C	SQ Component 4



 Use polling and voting to narrow and gauge support for options and proposals

Negotiate and build consensus

Tier 1: Achieve consensus on a single proposal that all parties accept with no objections

Tier 2: Provide 2–3 alternatives when consensus is not obtained under the Tier 1 approach

 Vote at parent committee and up the committee hierarchy as needed



Introduction to Decision-Making in the PJM Stakeholder Process





Non-Voting Groups

Subcommittees & Task Forces*				
Decision-Making Methodology	 Non-binding polling may be used to gather stakeholder feedback Strive for consensus (Tier 1) If no consensus achieved, produce multiple proposals (Tier 2) 			
Who Can Respond	Voting Members and Affiliates Ex Officio Voting Members Non-members			
Threshold for Endorsement	 Tier 1: All members can live with the proposal Tier 2: At least 3 supporting voting members from 2 sectors 			
What moves up to the Parent Committee?	 All proposals meeting the threshold are forwarded to the parent committee If a consensus proposal cannot be forwarded to the parent committee, multiple proposals are narrowed down 			

*Not including Senior Task Forces or Subcommittees reporting to the MRC



Lower Level Standing Committees (PC/MIC/OC/RMC), Senior Task Forces, and Subcommittees

Decision-Making Methodology	 Strive for consensus (Tier 1) If no consensus achieved, vote on multiple options (Tier 2) 		
Who Can Vote	Voting Members and Affiliates Ex Officio Voting Members		
Threshold for Endorsement	Inold for Endorsement Two-step process for voting on proposals, which must exceed both: Sector- - 50% (simple majority) support AND - 50% preference over status quo Voti		
What moves up to the Parent Committee?	 All proposals that receive simple majority support and are preferred quo by greater than 50% are forwarded to the MRC in rank order. 	d over the status	



Voting at Senior Standing Committees

Members Committee (MC) and Markets & Reliability Committee (MRC)

Decision-Making Methodology	 Vote on main motion first If that does not pass, then vote in motion voting order until a motion passes or there are no more options to consider 				
Who Can Vote	Voting Members Ex Officio Voting Members				
Threshold for Endorsement	 Greater than 2/3^{rds} threshold. Sector-Weighted Vote threshold = 3.335 / 5 For a limited number of issues such as Charter approvals, Issue Charges, and elections, the threshold is ½, or a Sector Weighted Vote of 2.5 / 5 	Sector-Weighted Voting: Yes			
What moves up to the Parent Committee?	 The first motion voted on that receives MRC endorsement is forward main motion. 	arded to the MC as the			

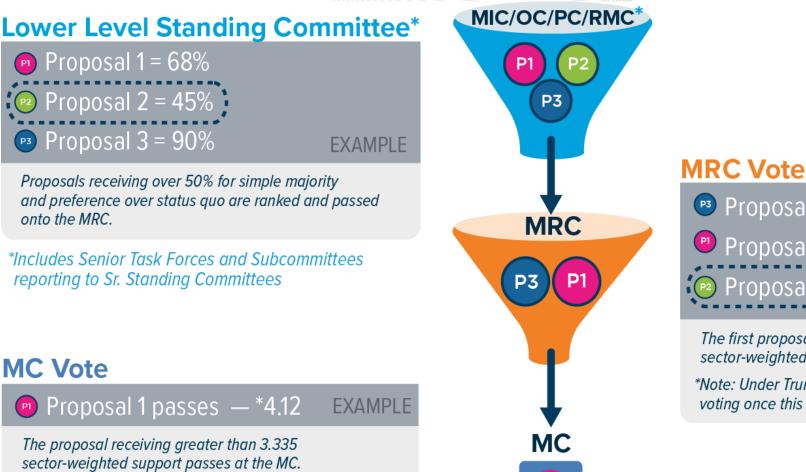


Sector-Weighted Vote Calculation Example

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 Se	ctors = 3.335



Standing Committee Voting Example



*Note: Under Truncated Voting rules, the MC stops voting once this threshold is reached.

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P1

Proposal 3: (voted first) *3.13 Proposal 1: *4.25 Proposal 2: Not voted on

EXAMPLE

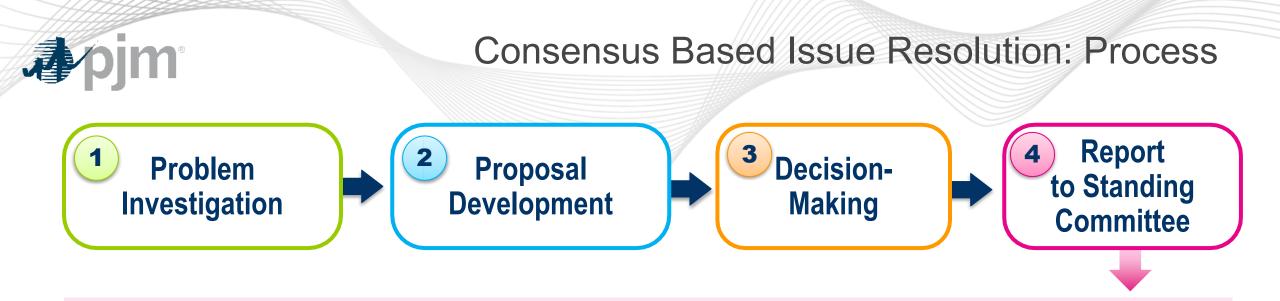
The first proposal receiving greater than 3.335 sector-weighted support is passed to the MC.

*Note: Under Truncated Voting rules, the MRC stops voting once this threshold is reached.



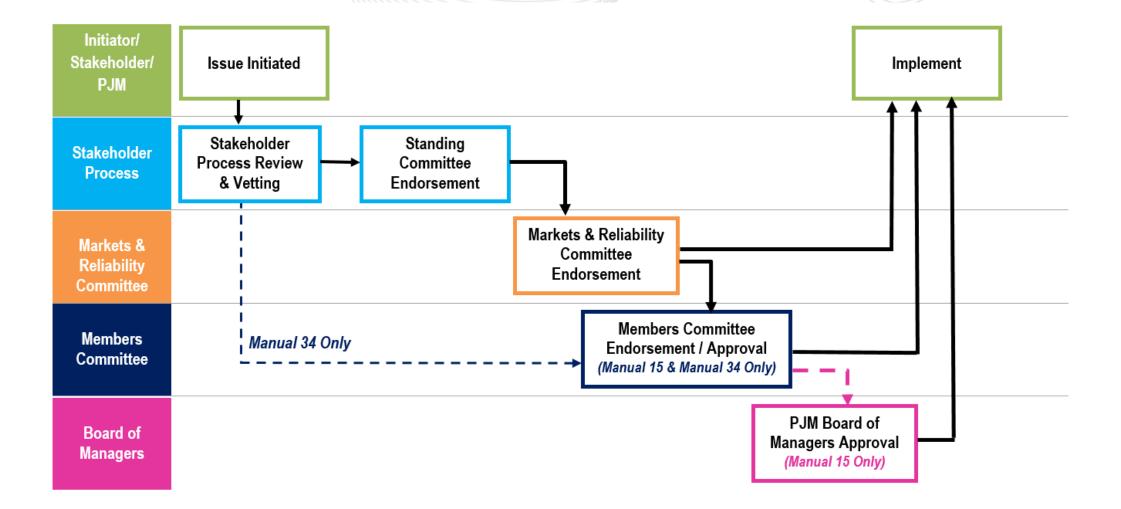
Summary of Decision-Making Rules





- The task force or subcommittee is required to provide *periodic updates* and a *final report* to the parent committee
- Updates should include progress on milestones and deliverables
- The final report will detail all the of steps used in the evaluation process including the proposed solutions

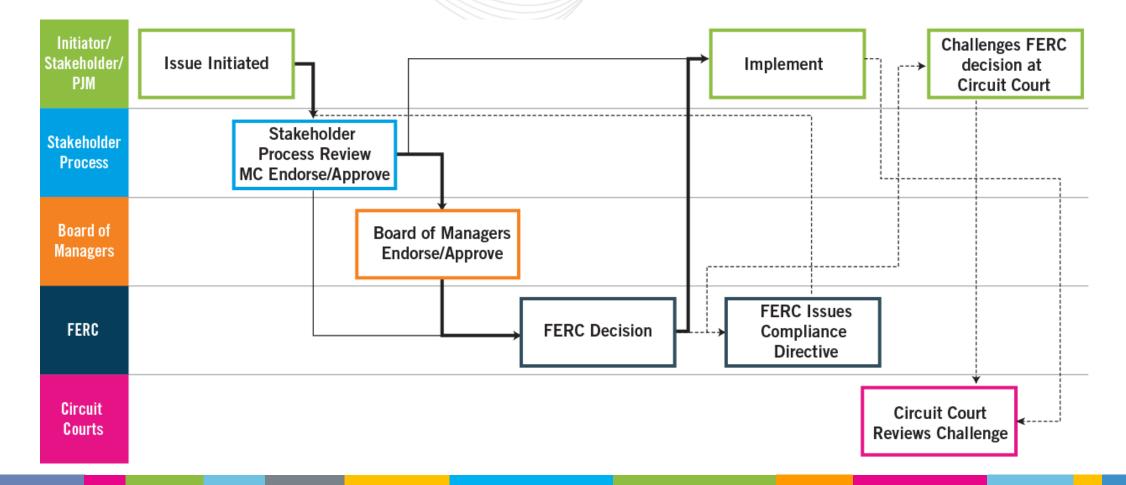
Manual Change Process



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Governing Document Change Process





CBIR Process Illustration







The PJM Planning Committee decides that PJM and the members should develop a recipe for a cake to serve at a special event. The PJM Planning Committee reviews a Problem Statement and approves an Issue Charge, and since there is no preexisting group that handles cake recipes, establishes a new Cake Task Force (CTF). PJM assigns a facilitator and secretary, identifies SMEs, coordinates logistics, schedules the first meeting, and off we go.



CBIR Process Illustration



Alternative Processes



Enhanced Liaison Committee (ELC) -

formal process that creates coalitions to present to the PJM Board for decision

Quick Fix – brings the solution along with the problem for straightforward issues

Critical Issue Fast Path



(CIFP) – streamlined formal process, using the matrix, education, proposals, presentations to the Board and voting at the MC





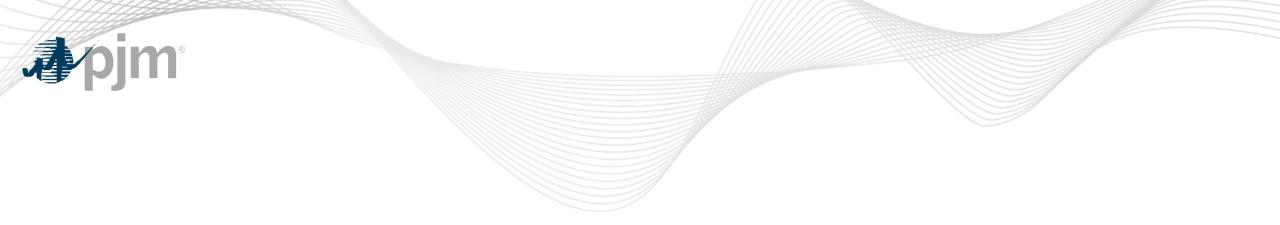
User Groups – Stakeholder group formed by five or more voting members sharing a common interest; minority protection

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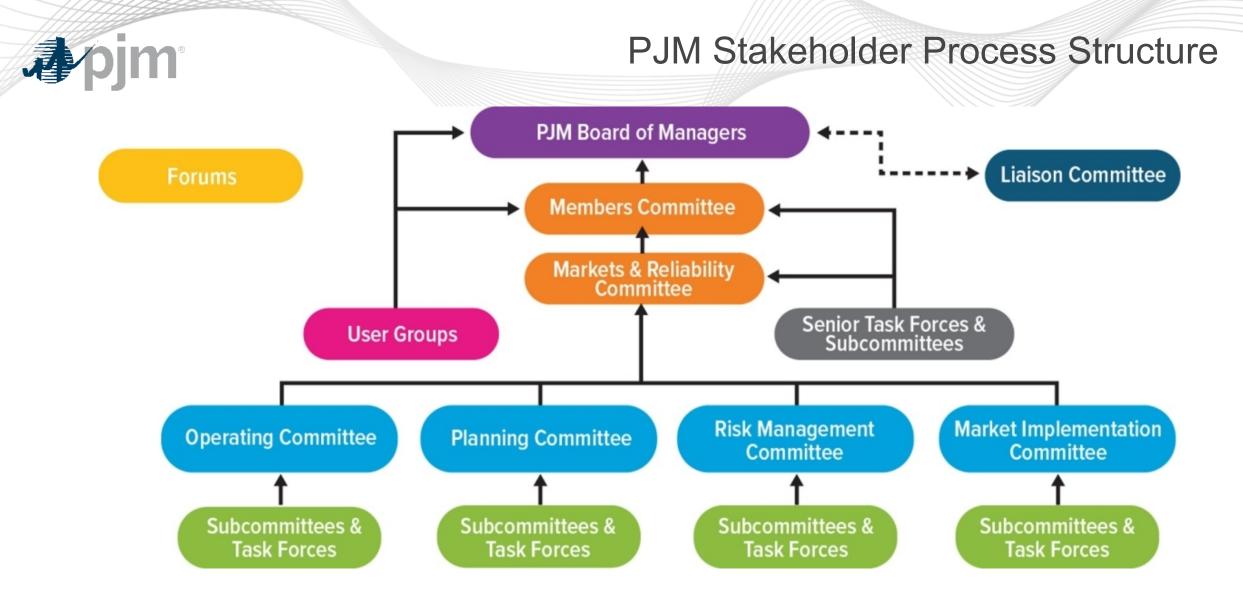
Rules of Procedure: Stakeholder Meetings

- 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.





Engaging in PJM's Stakeholder Process



Access the detailed view on PJM.com > Committees & Groups > Committee Structure Diagram



PJM User Account Registration

Home 🕨 Sign In to My PJM

Sign In to My PJM

* l	Jsername:

* Password:

Remember Me : 🗹

Forgot password?

Sign Up for a PJM Account

If you have a PJM account, sign in. PJM accounts are used to sign into tools, such as Account Manager, Voting or PJM Connect.

If you do not have a PJM account, please register now.

Why register

- Access PJM's site, secure content areas and tools with one username and password.
- · Easily manage meeting registrations.
- Instantly subscribe or unsubscribe from PJM email lists.

Find and review the <u>New User Registration Workflows Quick Guide</u> on PJM.com > Markets & Operations > PJM Tools > Account Manager

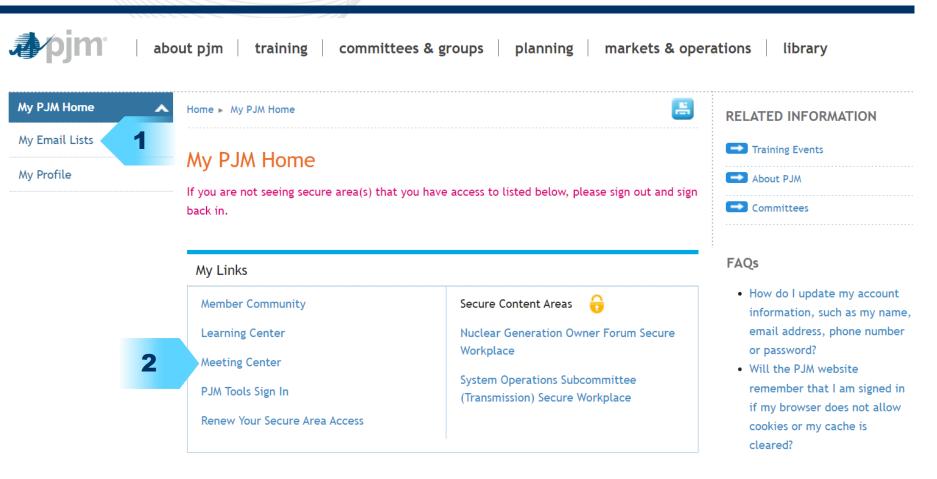
Submi

Click Register Now



PJM Stakeholder Group Meeting Participation Steps

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



My PJM Home

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Home
My PJM Home
My Email Lists

My Email Lists

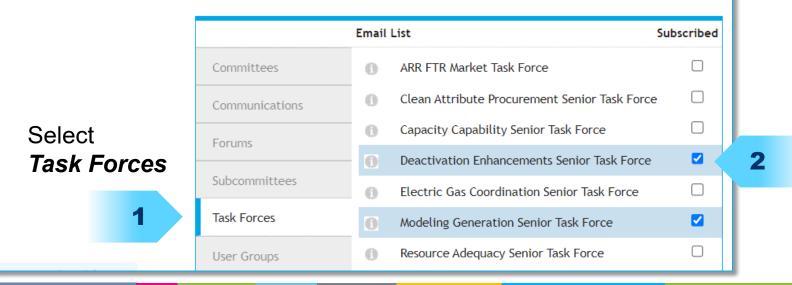
My Profile

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.

PJM Communications: Email and Designated Roles Guide PDF.

If you don't see an email list in the *Available Subscriptions* box by your subscription preferences via the Email List Update form the mailing list which you would like to be subscribed to or unsubscription.



PJM Stakeholder Group Email List Subscription

Select **DESTF**

3

Click Submit

-

Email List Update Form



PJM Stakeholder Group Meeting Registration

Meeting Center

Filters Task Forces ARR FTR Market Task Force Clean Attribute Procurement Senior Task Force Deactivation Enhancements Senior Task Force Modeling Generation Senior Task Force Reserve Certainty Senior Task Force Regulation Market Design Senior Task Force Resource Adequacy Senior Task Force Regulation Market Design Senior Task Force	Closed Cosed	owing results 1 - 2 of 2 ad My Filters Save My Filters ESTF X ear Filters		oll through the li vailable meeting	
Stakeholder Groups General Session Inter-Regional Planning Stakeholder Advisory Beneral Session G015 Governing Board Meeting DER Ride-Through Workshop PJM/MISO Joint & Common Market Initiative DER Ride-Through Workshop PJM/MISO Joint Initiative Inter-Regional Planning Stakeholder Advisory Committee - New York / New England Inter-Regional Planning Stakeholder Advisory PJM/NYISO Joint Initiative Tech Change Forum Cancel Submit Scroll and click next to the Committee or Group naame you wish to filter by. Sour of filter by.	Committees & Groups	Select Select the Check Select the Check 12.19.2024 9:00 a.m 12:00 p.m. EPT iew : 15 ~ age 1/1 re to Filter	beactivation Enhancement Deactivation Enhancement Teleconference/Webex Deactivation Enhancement	nts Senior Task Force	Register Status \$ Open Open



PJM Stakeholder Group Roster Update Form

Update roster members directly via Roster Managers or by accessing the <u>Roster Update Form</u> on PJM.com > Committees & Groups > Roster Update Form Each member company can name up to four representatives, including one primary and three alternates.

Meeting Center	Home Committees & Groups		
Critical Issue Fast Path - Resource Adequacy	Committees & Groups		
Committees	PJM Interconnection committees and groups are integral groups provide a forum for members to share their positi		
User Groups	governance structure for administering an open grid and		
Forums	A collaborative approach - a hallmark of the way PJM cor ensure robust markets.		
Subcommittees			
Task Forces	Stakeholder Process Resources		
Workshops	Committee Structure Diagram (PDF)		
Closed Groups	Manual 34: PJM Stakeholder Process WEB PDF		
Issue Trac Roster	Facilitation Feedback Roster Update		
Stakehold Update	Subscribe to Stakeholder Group Email Lists		
State Commissions	Register for Meetings 📀		

Home
Committees & Groups
Committees
Roster Update Form

Roster Update Form

Roster update requests must be made through the Roster Request form in PJA Application. This includes requests to add or remove yourself from PJM stake rosters. Your request will be directed to your company's Roster Manager. Four are permitted on each committee roster. If a committee, subcommittee or ta available for selection, please contact the secretary or facilitator and reques to that groups roster. Secretary and facilitator contact information, can be fo each group's webpage.

Reference the <u>Voting Tool</u> <u>Webpage</u> on PJM.com > Markets & Operations > PJM Tools > Voting

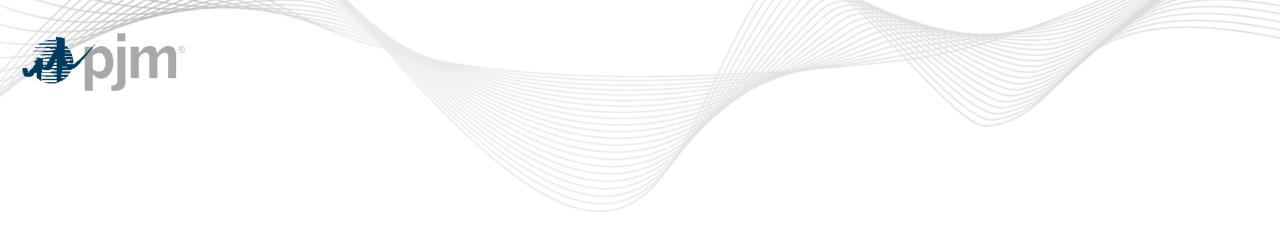
To manage your email lists subscriptions, visit the My Email Lists page.

- 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.

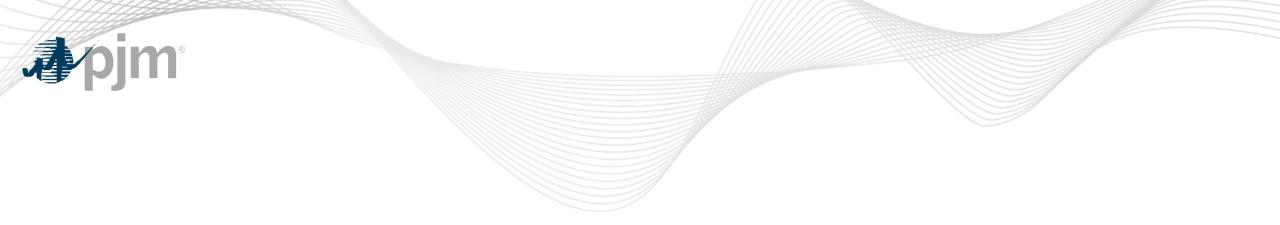


PJM Stakeholder Process Resources

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		PJM	pjm [•] Learning	g Center	Font Size:	A A A
Stakeholde Process	P	earning Center	Electricity Basics Wh Who's Who in the PJM Co Room Get a glimpse behind the scenes in the room, where highly trained and dedicat working 24/7 to keep the power flowing million people in 13 states and the Distr columbia.	PJM control ed staff are g to 65		
Forum	Templates	Manual 34	Electricity Basics W	Meeting Center Critical Issue Fast Path - Resource Adequacy Committees User Groups Forums Subcommittees		nd resolve difficult issues. Market committees are e parent markets.
Quick Guides	Tools	Committee Meetings & Stakeholder Process Calendar	Three Priorities	Task ForcesWorkshopsClosed GroupsIssue TrackingStakeholder MeetingsState CommissionsWebex & Microsoft Teams	Committee Structure Diagram (PDF)	Contact Stakeholder Affairs Team Member Relations (866) 400-8980 (610) 666-8980 Member Community
					PJM Stakeholder Process: New Member PDF Guidelines for Presenters External to PJM DOC Webex Name Display PDF Preference for Status Quo - Implementation Guide PDF	Issue Tracking



Issue Tracking Tool Demo



Voting and Roster Manger Tool Demo







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