



PJM Interconnection employs a two-tiered governance model to ensure that it operates neutrally and independently in managing the electricity grid and markets.

Neutrality and independence are at the core of PJM's business operations.

In order to create a robust and competitive electric power market, PJM treats all parties equitably. Developing an atmosphere of trust through non-discriminatory practices is essential to building and maintaining an effective and viable market.

PJM's two-tiered governance structure – the PJM Board and the Members Committee – ensures independent decisions.

The independent PJM Board is charged with ensuring that PJM operates the grid safely and reliably and creates and operates fair energy markets. To establish neutrality, Board members can have no personal affiliation or ongoing professional relationship with, or any financial stake in, any PJM market participant.

The Board ensures that no member or group of members has undue influence. The Board is required to prevent the undue exercise of market power by any market participant. To support this goal, PJM employs an independent external market monitor, Monitoring Analytics, which constantly analyzes market data and issues reports on compliance with the rules, standards, procedures and practices of PJM's markets.

The Members Committee, on which each member has a representative, provides advice to the Board by proposing and voting on changes and new programs. The committee is made up of five sectors representing Generation Owners, Transmission Owners, Electric Distributors, Other Suppliers and End Use Customers. Only a Primary Member may vote in the committee.

A member Liaison Committee to the Board was formed in 2007 to facilitate more direct communication from the membership to the Board on key issues.

Other committees, task forces and user groups provide ongoing forums for issue resolution through discussion and negotiation. Through this collaborative stakeholder process, PJM serves as a mediator, empowering competitors to reach agreement and move forward. Ongoing process enhancements have been implemented to streamline stakeholder activities and focus on building consensus on issues.

PJM works closely with state regulatory commissions to identify and respond to local matters. The Organization of PJM States Inc., made up of the state commissions in PJM's region, was formed in 2005 to act as a liaison group to PJM and its members.

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