



PJM's stakeholder process offers a collaborative and structured method of decision making. Members and other stakeholders can share ideas and resolve difficult issues as they recommend changes and make decisions about PJM's governing documents and operating manuals.

What Is the Stakeholder Process?

PJM's stakeholder process employs committees, subcommittees, task forces and user groups to identify and study issues, make recommendations, and propose solutions to improve PJM's transmission planning process, operations, wholesale electricity markets and risk management.

The stakeholder process is established in the PJM Operating Agreement with specific procedures outlined in PJM Manual 34: PJM Stakeholder Process.

Defining the Issue

First, when PJM, a member, the Independent Market Monitor or other stakeholder determines that there is an issue or an opportunity for improvement to PJM's governing documents or manuals, it can initiate a stakeholder review by outlining the issue or opportunity in a problem statement. An issue charge is also developed, which defines the scope, key work activities and expected deliverables of the stakeholder group that will explore the issue and will set expectations for decision making.

When the issue charge is approved, the assigned stakeholder group proceeds to study the issue and reports back to the authorizing committee with its findings and recommendations.

The Consensus Based Issue Resolution Process

Stakeholders serve as the representatives of their companies and sectors. They bring their interests and expertise to the discussion of the issue charge and present the solutions they think are most likely to succeed.

The stakeholder process, which relies on Consensus Based Issue Resolution (CBIR), is a structured problem-solving and decision-making method that ensures all stakeholders have an opportunity to collaborate on a solution. In addition to identifying interests and designing solutions, the CBIR process supports time for education, which is important to ensure a level playing field and common understanding among stakeholders.

Once stakeholders have had the opportunity to provide feedback and suggest solutions, the process of building consensus begins. The goal is to identify the solution, or combination of solutions, that best addresses the issue charge and problem statement, while striving to meet the interests of all stakeholders.

Overview of PJM's Stakeholder Process

The collaborative stakeholder process uses a structured problem-solving approach including:

- A defined scope, key work activities and expected deliverables related to issues and the stakeholder groups that study them
- An opportunity for stakeholders to participate in robust discussion and propose solutions
- A focus on building consensus
- Voting mechanisms to move recommended changes through the stakeholder process toward implementation





The Members Committee and the Markets and Reliability Committee, which are the senior standing committees, have varying roles in approving revisions to the governing documents and PJM manuals. Votes in the Members Committee and the Markets and Reliability Committee are recorded and weighted by sector to ensure that all interested parties are included in the decision-making process. The five sectors are Transmission Owners, Electric Distributors, Generation Owners, Other Suppliers and End-Use Customers.

Alternative Stakeholder Processes

The Quick Fix Process

From time to time, there may be issues identified by PJM, FERC, the Market Monitor, or Stakeholders that are urgent and/or very simple or straightforward to correct, and require no stakeholder engagement. Issues that meet these criteria may be brought before the appropriate committee in the form of a Problem Statement and Issue Charge along with a documented solution and implementation schedule, and may be voted upon at first read if timing requires it.

CBIR Lite

There may be issues identified that a Standing Committee has determined to pursue and may benefit from a more expedited and/or focused treatment. These may include issues that are on an expedited time frame, may be of interest to a limited portion of the stakeholder body or may be expedited to take a relatively low amount of stakeholder activity to complete.

Enhanced Liaison Committee

The purpose of the Enhanced Liaison Committee (ELC) process is to provide members and the PJM Board of Managers an orderly and facilitated process to directly discuss contentious issues that were not resolved or would be extremely difficult to resolve within the stakeholder process. The ELC process is abbreviated and does not include any voting by the Members Committee. It is expected to be used infrequently.

Critical Issue Fast Patch

The Critical Issue Fast Path (CIFP) process provides members and the PJM Board of Managers an orderly and facilitated process for contentious issues with known PJM and/or FERC implementation deadlines that were not resolved, or would be extremely difficult to resolve, within the normal CBIR process. The CIFP process encompasses more of the CBIR steps than the ELC process, including the opportunity for stakeholders to suggest alternative solutions, and indicative voting by the Members Committee. The CFIP process is to be used on major issues only in extraordinary circumstances (broad impact to markets or significant reliability issue) and is expected to be used very infrequently.

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