# Stakeholder Process Super Forum

**Problem Statement**

The PJM Operating Agreement (OA) was originally approved in 1997. OA Section 8 establishes elements of PJM governance and stakeholder processes. The Members Committee, Markets & Reliability Committee, and the Operating, Market Implementation and Planning Committees are established, as is the ability to create other committees and groups. There are no rules of procedure for operation of the stakeholder process other than the "manor of acting" for decisions making (sector-weighted voting).

Early stakeholder process experience resulted in some inconsistency of implementation between groups, due primarily to the lack of rules of procedure. The Chairman's Advisory Team was initiated in 2002 to codify some rules for operation of the stakeholder process. The Members' Handbook was approved by the Members Committee and implemented in 2003. The Members' Handbook provided the initial codification of rules of procedure beyond the Operating Agreement.

Experience showed that it was helpful to have the rules identified in the Member's Handbook, but that there was some inconsistency of implementation between groups, again due to the need for additional rules of procedure. Additionally members raised concerns about sector-weighted voting and the "balance of power" among stakeholders. The Governance Working Group was initiated in 2006 to address these concerns. The GWG further developed certain rules of procedure, attempted to address concerns over sector-weighted voting to no avail and made updates to the Members' Handbook and sector definitions in the OA.

FERC issued Order 719 in October 2008, including requirements related to the RTO Board's responsiveness to its stakeholders. PJM vetted its response to Order 719 through Task Force 719, and ultimately filed with FERC that PJM was in compliance with the requirements of the Order. FERC accepted this filing. Following vetting of the response to FERC Order 719 the Members Committee passed a resolution initiating the Governance Assessment Special Team (GAST) in March 2009. In Phase 1 of GAST an independent consultant reviewed the PJM stakeholder process and provided recommendations for enhancements. In Phase 2A of GAST PJM and stakeholders implemented the consultant's recommendations by developing the Consensus Based Issue Resolution process and further refined rules of procedure. These were implemented in Manual 34: PJM Stakeholder Process. Phase 2B of GAST sought to resolve ongoing stakeholder concerns regarding sector-weighted voting and the "balance of power" – again to no avail. The Enhanced Liaison Committee process was implemented in Phase 2.

In the years since implementation of Manual 34, experience with the updated processes and rules has shown that it is an orderly process that works well with most issues, but can be very time consuming and can bog down on contentious issues. Additionally, the volume of issues being addressed in the stakeholder process has expanded dramatically, resulting in over 500 meetings per year.

The efficiency and effectiveness of the stakeholder process was a topic of discussion at April 11, 2018 Liaison Committee meeting.  Through that discussion and in continuing discussion at the April Stakeholder Process Forum members expressed interest in pursuing some changes to the process.  A "Super Forum" was held on July 25, 2018.  In preparation for the Super Forum a survey was conducted utilizing questions from the GAST Phase 1 independent assessment.  Results of the survey identified areas of agreement and divergence with respect to stakeholder perceptions of the stakeholder process, and identified areas for consideration.  Specifically the items below were identified along with some others:

- Prioritization of issues to allow stakeholders to manage the volume of issues under consideration and the volume of meetings
- Develop an additional pathway for vetting issues that are contentious or must be decided quickly
- Enhance transparency throughout the PJM stakeholder process and decisional hierarchy