

Independent State Agencies Committee (ISAC) Charter

This voluntary, stand-alone Committee shall be known as the Independent State Agencies Committee (ISAC or Committee).¹ As described herein, the Committee shall consist of Members from regulatory² and other state agencies representing any of the states³ within the service area of PJM Interconnection, L.L.C. (PJM). The ISAC is an independent committee that shall not be controlled or be directed by PJM or the PJM Board of Managers.

I. MEMBERSHIP⁴

1. Membership shall be open to:
 - (a) All Member Regulatory Agencies (Commissions) of the Organization of PJM States, Inc. (OPSI) as defined in the OPSI Bylaws;
 - (b) The primary state regulatory agencies responsible for siting electric transmission facilities in states where there are transmission-owning Members of PJM or independent transmission companies that own or operate transmission facilities associated with PJM in their state; and
 - (c) State governmental agencies that are directly involved with, and have statutory authority for, energy planning, and/or environmental issues that relate to electric transmission facilities, including statutory consumer advocates that are state governmental agencies.
2. Any agency eligible for Membership under this Section shall obtain membership by e-mailing a request for membership to OPSI's Executive Director for review by ISAC.

II. PURPOSE AND RESPONSIBILITIES OF ISAC

1. The purpose of the ISAC is to provide PJM with input to inform the assumptions, scenarios, and studies developed as part of PJM's Regional Transmission Expansion Planning Protocol⁵ as well as to discuss alternative sensitivity studies, modeling assumptions, and scenario analyses. The ISAC may also discuss, among other things, items described in section 1.5 of Schedule 6 of the PJM Operating Agreement.

¹ This Charter was amended at the OPSI Board meeting of May 18, 2023.

² An OPSI Member's vote to create ISAC cannot be construed as joining/participating in ISAC; joining ISAC is a separate action for each OPSI Member Commission after ISAC is created.

³ "States" are defined as Member Regulatory Agencies (Commissions) of the organization of PJM States, Inc. (OPSI) as defined in the OPSI by-laws, including the District of Columbia PSC.

⁴ For informational purposes, the ISAC Members may be listed on a public web site such as OPSI's or PJM's and updated as new Members join ISAC.

⁵ The PJM Regional Transmission Expansion Planning Protocol refers to Schedule 6 of the PJM Operating Agreement which describes the Procedure for the Development of the Regional Transmission Expansion Plan in Section 1.5 of this Schedule.

2. When providing input intended to inform the development of PJM’s Regional Transmission Expansion Plan (“RTEP”), the ISAC should strive to be guided by Schedule 6 of PJM’s Operating Agreement.⁶
- (a) The ISAC will interface with PJM to facilitate PJM’s solicitation of the ISAC’s input.⁷ The ISAC may provide information in response to this solicitation.
 - (b) States may individually or collectively identify and provide the ISAC with a statement of Public Policy Requirements,⁸ and/or Public Policy Objectives,⁹ to provide to PJM for consideration in the Office of the Interconnection’s transmission planning and analysis inputs.¹⁰ Before ISAC sends this statement to PJM under II.2(d), ISAC shall provide it to all the States and any State(s) may provide to ISAC its assessment as to whether the solutions to the Public Policy Requirements and/or Public Policy Objectives should be cost allocated exclusively through the RTEP and/or whether cost allocation of those solutions should go through a supplemental or alternative approach.
 - (c) Any ISAC Member(s) may provide to ISAC its assessment or prioritization of Public Policy Objectives proposed by other stakeholders.¹¹ Before ISAC sends this assessment or prioritization to PJM under II.2(d), ISAC shall provide it to all the States and any State(s) may provide to ISAC its response to that assessment or prioritization.
 - (d) If ISAC receives any information under II.2(b) or II.2(c), the ISAC shall, without voting, send it to PJM in writing and in a sufficiently timely manner so that PJM can consider this input in its RTEP studies and sensitivity analyses described in section III.7 below. The ISAC should strive to achieve consensus where

⁶ See PJM Operating Agreement - Schedule 6.

⁷ *Id.* at 1.5.4(c) (“PJM is required to solicit information from the ISAC in its preparation of the enhancement and expansion study, including information regarding potential sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Objectives that may be considered.”).

⁸ *Id.* at Section I.1, Definitions O-P-Q (“Public Policy Requirements” shall refer to policies pursued by: (a) state or federal entities where such policies are reflected in duly enacted statutes or regulations, including but not limited to, state renewable portfolio standards and requirements under Environmental Protection Agency regulations; and (b) local governmental entities such as a municipal or county government, where such policies are reflected in duly enacted laws or regulations passed by the local governmental entity.).

⁹ *Id.* at Section I.1, Definitions O-P-Q (“Public Policy Objectives” shall refer to Public Policy Requirements, as well as public policy initiatives of state or federal entities that have not been codified into law or regulation but which nonetheless may have important impacts on long term planning considerations.

¹⁰ *Id.* at Schedule 6, Section 1.5.6(b) (ii), (iii).

¹¹ The term “stakeholder” should be defined consistent with its usage in Schedule 6 of the PJM Operating Agreement. *See, Id.* at 1.5.6(b) (“Following the assumptions meeting and prior to performing the evaluation and analyses of transmission needs, the Office of the Interconnection shall determine the range of assumptions to be used in the studies and scenario analyses, based on the advice and recommendations of the Transmission Expansion Advisory Committee and Subregional RTEP Committees and, through the Independent State Agencies, the statement of Public Policy Requirements provided individually by the states and any state member's assessment or prioritization of Public Policy Objectives proposed by other stakeholders.”).

appropriate, and to provide this information to PJM “in the form and manner” PJM specifies.¹²

- (e) If the ISAC provides to PJM the information described in section II.2 of this Charter, the ISAC should request that PJM provide updates detailing how PJM informed the Transmission Expansion Advisory Committee and the Subregional RTEP Committees of the input.¹³ PJM is required to consider the ISAC’s input in developing the range of assumptions to be used in the studies and scenario analyses.¹⁴ The ISAC should schedule updates from PJM so that ISAC Members can understand how PJM considered the ISAC’s input in the development of its RTEP assumptions.
3. PJM will provide the ISAC with the inputs, assumptions, and scenarios it proposes to use in its transmission planning. ISAC Members may provide PJM with feedback, either as individual states or as a group of states. Upon the request of any ISAC Member, PJM will provide its formatted modeling inputs in a manner that would enable an ISAC Member with appropriate capabilities to model additional sensitivity cases.
4. The ISAC may request that PJM conduct various transmission scenario planning studies as needed. PJM will provide the ISAC with the impacts the inputs and scenarios might have on a transmission expansion plan.
5. The ISAC may, but is not required to, discuss cost-allocation issues. The ISAC will not vote on cost-allocation issues.
6. The ISAC will not make any transmission planning policy decisions.
7. Participation in the ISAC shall not be construed as an assessment on the merits of any specific transmission expansion project.
8. No state or ISAC Member shall be bound by or responsible for the results of any transmission planning studies conducted by PJM pursuant to inputs or scenarios provided by ISAC.

III. ADMINISTRATION

1. The ISAC meetings will be open to all interested stakeholders.

¹² *Id.* at 1.5.4(a).

¹³ *See, Id.* at 1.5.6 (e) (“The Office of the Interconnection shall inform the Transmission Expansion Advisory Committee and the Subregional RTEP Committees, as appropriate, of the input of the Independent State Agencies Committee and shall consider such input in developing the range of assumptions to be used in the studies and scenario analyses described in [section 1.5.6 (b) of Schedule 6 of the PJM Operating Agreement.]”).

¹⁴ *Id.*

2. The ISAC Members may request that time be set aside for Members-only deliberations, the outcome of which will be captured in minutes made available to the public.
3. The ISAC meetings may include a time-limited open comment period, during which non-ISAC Members may speak on the issues listed on that meeting's agenda.
4. The ISAC meetings will be held at such time and place as may be determined by its Membership. ISAC may accept administrative support from PJM.
5. The ISAC will have final approval of all Committee materials and work product.
6. ISAC shall hold at least one meeting per year.
7. ISAC acknowledges that its contributions will have the most impact on the development of RTEP if they are made in a timely fashion consistent with the schedule of the relevant PJM transmission planning committees. Therefore, the ISAC will work to inform its members of any deadlines for providing input prior to and during the development of RTEP assumptions.
8. ISAC meetings will be conducted in person, by telephone, or by any Web based technology (such as Webinars).
9. ISAC meetings will allow for in person, telephonic, and electronic voting.
10. Notice of the time, place, and purpose of each ISAC meeting will be provided by mail or electronic means to each ISAC Member not less than seven (7) calendar days prior to the meeting.
11. Except as provided in Section VI herein, the ISAC Charter may be amended by either a majority vote of the OPSI Board or at least two-thirds of the total ISAC Membership, provided that the proposed amendment must have been included in the notice of the previous meeting.
12. A simple majority of the states represented in the ISAC membership shall constitute a quorum for the transaction of business in any ISAC meeting.

IV. STRUCTURE

1. The officers of ISAC shall include a Chair, Vice-Chair, and Secretary.
2. The ISAC shall be chaired by the OPSI Board President or any other OPSI Board Member as elected by the OPSI Board.
3. Additional Officers may be added as needed by amendments to the ISAC charter.
4. No two Officers shall be from the same state.
5. The Officers shall be responsible for approving the agenda for all ISAC meetings as proposed by the ISAC Members and for advising PJM of agenda items.

6. All decisions of the ISAC shall be communicated in writing.
7. The ISAC Chair will be the point person for all ISAC communication.

V. VOTING PROCEDURES

ISAC will not vote on Public Policy Requirements, Public Policy Objectives, or cost allocation. Should there be a need for ISAC to vote on sensitivity analyses to be performed or on scenarios to be studied, among other items, the following voting procedures shall be followed:

1. Provided that the OPSI member for a state has elected to be a member of ISAC, that OPSI Member shall serve as lead agency for its state. Each state with at least one ISAC Member will have two votes.
2. If the state's OPSI Member is an ISAC Member and:
 - (a) there are one or more other ISAC Members from that state, the OPSI member gets one vote and the vote not reserved for the OPSI Member shall be apportioned fractionally among the other ISAC Members for that state.
 - (b) there are no other ISAC Members from that state, then that OPSI Member gets to cast both votes for that state.
3. If the state's OPSI Member is not an ISAC Member, each ISAC member shall have a fractional vote that equals two divided by the total number of ISAC members for that state.
4. If there are no ISAC Members for a state, the state shall not have any votes and shall not be counted for purposes of ascertaining a quorum.
5. If an ISAC Member abstains, no other ISAC Member for that state gets an additional vote or additional weight for a vote.
6. Each ISAC Member may designate a proxy for voting prior to any meeting.

VI. STATES NOT BOUND

No action or decision of ISAC has any binding effect, nor will it impose any obligations or liabilities, upon any individual representing an ISAC Member, any ISAC Member, or any state represented by an ISAC Member, or upon any OPSI Member and its employees. Neither will any such vote of, nor any resolution passed by ISAC, be deemed an official action of, by, or for any individual ISAC Member. Any vote or other action by ISAC Members that would alter this section of the ISAC Charter shall require a four fifths majority of all ISAC Members. However, any ISAC Member may voluntarily choose to declare any ISAC action or decision as an official action as applicable to that particular ISAC Member.

VII. CORE COMPETENCIES

1. It is recommended that, collectively, the ISAC Member delegation from each state shall possess or acquire knowledge of:
 - (a) PJM's interconnection study and queuing process, and PJM's transmission planning process; PJM shall assist with training as necessary.
 - (b) Their state's relevant energy, regulatory, siting, and environmental policies.
2. At least one Member from each participating state agency must be able to represent the views of its respective agency.