Organization of PJM States, Inc.

BYLAWS

ARTICLE I - NAME

The organization shall be known as the Organization of PJM States, Inc. (Organization). The principal office of the Organization shall be at such location, either within or outside of the State of Delaware, as the Board of Directors shall from time to time establish.

ARTICLE II - MEMBERSHIP

1. MEMBERSHIP. Membership shall be open to all state regulatory authorities which shall include the District of Columbia (herein referred to as "Member" or "Member Regulatory Authority") that regulate the retail electricity or distribution rates of transmission-owning members or transmission-dependent utility members of the PJM regional transmission organization.

2. FUTURE MEMBERSHIP. State regulatory authorities which are not currently within the PJM footprint, but which have jurisdictional transmission owners that have filed the requisite application to join PJM with the Federal Energy Regulatory Commission (herein referred to as "Future Member"), may participate in the Organization on a nonvoting basis, subject to approval by the Board of Directors.

3. MEMBERSHIP FEE. There will be an annual voluntary membership fee for any Member Regulatory Authority that needs to pay a membership fee to ensure compliance with the laws and policies of its state. The amount for such a voluntary fee will be determined from time to time by the President and Executive Director in their discretion.

ARTICLE III - ANNUAL MEETING

The Annual Meeting of the Organization (Annual Meeting) shall be held at such time and place as may be determined by the Board of Directors. Notice of the time, place, and purpose of the meeting shall be provided by electronic means to each Member and Future Member of the Organization not less than thirty (30) days prior to the meeting. All commissioners and designated commission staff of Member Regulatory Authorities may participate in the Annual Meeting. The business of the Annual Meeting will be conducted by vote of the Board of Directors as provided in these Bylaws.

ARTICLE IV - BOARD OF DIRECTORS

1. POWERS, RESPONSIBILITIES AND ACCOUNTABILITIES. The corporate business and affairs of the Organization shall be managed by the Board of Directors, except as may be otherwise provided in these Bylaws or the Organization's articles of incorporation (Articles of Incorporation). The Board of Directors shall have the ultimate responsibility for deliberations related to PJM substantive issues and wholesale market issues of general interest on behalf of the Organization.

2. COMPOSITION. Each Member Regulatory Authority as defined in Article II.1 shall appoint one Commissioner to the Board of Directors. This appointed Director will be the authorized representative of that Member Regulatory Authority. When any such person ceases to be the authorized representative of that Member Regulatory Authority, he or she shall be replaced on the

Board of Directors by another authorized representative from his or her Member Regulatory Authority. A Member Regulatory Authority may replace its representative on the Board of Directors at any time by notifying the Secretary or Executive Director of the Organization but should strive to provide 30 days' notice of the change prior to the replacement. No Member Regulatory Authority shall be entitled to more than one representative on the Board of Directors.

3. RESPONSIBILITIES. The Board of Directors shall elect the officers of the Organization, appoint the members of the Nominating Committee, and determine the general policies and direction of the Organization. The Board of Directors may amend the Articles of Incorporation and Bylaws, take all other action requiring membership vote, and conduct other business as delineated in Article XI.

4. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at such time and place as may be determined by the Board of Directors, except the Board of Directors shall meet via teleconference no less than four times each calendar year, in addition to the Annual Meeting. Notice of the time, place, and purpose of the meeting(s) shall be provided by electronic means to each Member and Future Member of the Organization not less than seven (7) days prior to the meeting. Members and Future Members, as defined in Article II, may participate in regular meetings held by the Organization.

5. SPECIAL MEETINGS. The President or at least one-third of the Directors may call a special meeting of the Board of Directors. Notice of the time, place, and purpose of the meeting(s) shall be provided by electronic means to each Member and Future Member of the Organization no less than three (3) days prior to the meeting. Members and Future Members, as defined in Article II, may participate in special meetings.

6. QUORUM. If a Director from each of a majority of the Member Regulatory Authorities is present (either in person or by authorized telephonic or electronic means), a quorum exists for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the members that are present may continue with an informational meeting or adjourn the meeting without further notice. The Directors present at a properly called meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. A Director may allow a proxy from the same agency to participate as a substitute at a meeting of the Board of Directors by notifying the Secretary of the Organization or the Executive Director.

7. VOTING PROCEDURES. Each Director present (either in person or by authorized telephonic or electronic means) shall be entitled to one vote. Elections shall be by ballot in contested elections and may be by voice or other means in uncontested elections. Changes in the Bylaws shall require a vote of at least two-thirds of the total membership of the Board of Directors. All other matters shall be determined by a majority of the total membership of the Board of Directors, unless otherwise provided by Delaware law or these Bylaws.

8. POSITION ON POLICY ISSUES. The Board of Directors will give direction to formation of issue statements or policy positions, which will then be referred to Member Regulatory Authorities for feedback and approval. A position approved by a majority of the Board of Directors may be issued as the Organization's position with identification of the participating and nonparticipating Members. Individual Members retain all rights to object, support, or otherwise comment on issue statements of the Organization, including the attachment of a minority report or dissenting opinion,

provided it is submitted in a timely manner. The Board of Directors shall authorize filings on behalf of the Organization to be made and may also grant the Executive Director standing authority to file non-substantive interventions (doc-less interventions) in FERC proceedings in consultation with the OPSI President.

ARTICLE V – OFFICERS

1. NUMBER AND TITLE. The Officers of the Organization shall be the President, Vice President, Secretary, Treasurer, and other officers as may be necessary for the purpose of complying with the nonprofit organizational laws of the state of incorporation.

2. ELECTION, TERM, VACANCIES. The President, Vice President, Secretary, and Treasurer shall be elected by the Board from among the Board's members for a one-year term, or until their successors are elected. The President shall not hold the position for two consecutive years. Preferably at the Annual Meeting and no later than the first day of November, elections shall be held for the offices of President, Vice President, Secretary, and Treasurer, who shall each take office at the end of the Annual Meeting. The elections may take place by voice vote or electronically with votes sent to the Secretary and Executive Director. In the case of a permanent vacancy in the office of the President, the Vice President will succeed until the next scheduled election. The Board of Directors may hold a special election to fill an officer vacancy.

3. DUTIES. The duties of the officers shall be as follows:

(a) The PRESIDENT shall be the principal officer of the Organization and shall preside at the Annual Meeting and all meetings of the Board of Directors, shall be responsible for seeing that the lines of direction given by the Board of Directors are carried into effect, and shall have such other powers and perform such other duties as may be assigned by the Board of Directors.

(b) The VICE PRESIDENT shall preside at the meetings of the Board of Directors in the temporary absence or disability of the President and shall have such other powers and perform such other duties as may be assigned by the President or the Board of Directors.

(c) The SECRETARY shall be responsible for keeping a roll of the Members and seeing that notices of all meetings of the Board of Directors are issued and shall see that minutes of such meetings are kept. The Secretary shall be responsible for the custody of corporate books, records and files, shall exercise the powers and perform such other duties usually incident to the office of secretary, and shall exercise such other powers and perform such other duties as may be assigned by the President or the Board of Directors.

(d) The TREASURER shall be responsible for monitoring the receipt and custody of all monies of the Organization and for monitoring the disbursement thereof as authorized, for assuring that accurate accounts of monies received and disbursed are kept, for executing contracts or other instruments authorized by the Board of Directors, and for overseeing the preparation and issuance of financial statements and reports. The Treasurer may give a report of the Organization's finances at the Annual Meeting. The Treasurer shall exercise the powers and perform such other duties usually incident to the office of Treasurer and shall perform such other duties as may be assigned by the President or the Board of Directors.

4. REMOVAL. An officer of the Organization may be removed with or without cause by written vote of at least two-thirds of the total membership of the Board of Directors.

ARTICLE VI - EXECUTIVE DIRECTOR

There shall be an Executive Director who shall serve at the pleasure of the Board of Directors and shall carry out such duties as are assigned by the Board of Directors from time to time.

ARTICLE VII - COMMITTEES

1. ESTABLISHMENT. The Board of Directors may establish committees and work groups as it deems necessary and provide for the governance of the Organization.

2. COMPOSITION AND APPOINTMENT. The President shall appoint members of the committees, with Board of Directors approval. Unless otherwise directed by the Board of Directors, a committee may elect its chair. Members and Future Members may participate in the work of committees and work groups.

ARTICLE VIII - NOMINATING COMMITTEE

1. COMPOSITION. The Nominating Committee shall consist of five Directors. The President and Vice President of the Organization shall serve as ex officio voting members of the Nominating Committee.

2. METHOD OF ELECTION, TERM, VACANCIES. Non-ex officio members of the Nominating Committee shall be elected by the Board of Directors for a term of one year, or until their successors are elected. Terms of office shall begin when elected. Any vacancy in the Nominating Committee shall be filled by an election at the next regularly scheduled Board of Directors meeting after the vacancy is created.

3. RESPONSIBILITIES. The Nominating Committee shall present to the Board of Directors a single slate of nominations for elected officers of the Organization. Any Director may make additional nominations. The Nominating Committee should strive to propose a slate of candidates that reflects the geographical diversity of the Organization as well as equitable representation of the various retail regulatory models across the region. In the event that the Nominating Committee cannot agree on a nominee for an officer position, the Committee will make no nomination for the officer position, and the Board will proceed to elect the officer in accordance with Article V of these Bylaws. The Nominating Committee shall also present to the Board of Directors a nominee for any officer vacancy at the next regularly scheduled Board of Directors meeting after the vacancy is created, using the criteria above.

ARTICLE IX - STATES NOT BOUND

No vote of, or resolution passed by, the Board of Directors has any binding effect upon any state regulatory authority, or any individual member thereof, in the exercise of the authority's powers. No such vote of, or resolution passed by, the Board of Directors shall be deemed an official action of, by or for any individual Member Regulatory Authority.

ARTICLE X - FISCAL RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. FISCAL YEAR. The Board of Directors shall establish the fiscal year of the Organization.

2. FUNDING. Any funds shall be accepted or collected only as authorized by the Board of Directors.

3. DEPOSITORIES. All funds of the Organization shall be deposited to the credit of the Organization in fully insured accounts.

4. APPROVED SIGNATURES. Approvals for signatures necessary on contracts, checks, and orders for the payment, receipt, or deposit of money, and access to securities of the Organization shall be provided by resolution of the Board of Directors.

5. INDEMNIFICATION AND INSURANCE. Indemnification and Directors and Officers insurance shall be provided by resolution of the Board of Directors in accordance with the Articles of Incorporation and the laws of the incorporating state.

6. BUDGET. The annual budget of estimated income and expenditures shall be approved by the Board of Directors. The Board of Directors shall monitor the fiscal position of the Organization by reviewing a presentation on the financial position of the Organization at each Board meeting.

7. CONTRACTS AND DEBTS. Contracts may be entered into or debts incurred only as directed by the Board of Directors.

8. PROPERTY. Title to all property shall be held in the name of the Organization, unless otherwise approved by the Board of Directors.

9. INVESTMENT. The Treasurer shall invest the funds of the Organization in accordance with the direction of the Board of Directors or any committee of the Board appointed for such purpose.

10. AUDITS. A certified public accountant or other independent public accountant shall be retained by the Board of Directors to make a periodic examination of the financial accounts of the Organization as determined by the Board of Directors. A report of this examination shall be submitted to the Board of Directors.

11. EMPLOYMENT. Subject to the approval of the Board, the Organization may retain services necessary for it to carry out its responsibilities.

ARTICLE XI - PARLIAMENTARY AUTHORITY

All meetings shall be conducted in a manner that will allow fullest possible participation by the Members. In the event of a dispute, Robert’s Rules of Order Newly Revised, shall be the parliamentary authority governing the meetings of the Board of Directors and all committees, subject to the laws of the incorporating state, the Articles of Incorporation, these Bylaws, and any special rules of order adopted by the Organization.

ARTICLE XII - AMENDMENTS

These Bylaws may be amended by at least two-thirds of the total membership of the Board of Directors at the Annual Meeting or at any meeting of the Board of Directors, provided that the proposed amendment must have been included in the notice of the meeting.