

## The PJM Cities Coalition Charter

<b>Project</b>	<i>The PJM Cities Coalition</i>
<b>Drafted Date</b>	<i>March 27, 2020</i>
<b>Timeline</b>	<i>On-going until members decide otherwise</i>
<b>Mission Statement</b>	<p>The PJM Cities Coalition has been launched to coordinate the efforts of cities in the PJM territory that are interested in removing and preventing barriers to decarbonization solutions in their regional wholesale electricity markets. The Coalition provides a platform for members to educate and build capacity on these issues, form partnerships to collaborate with similarly aligned organizations, and create opportunities for members to work collectively to drive decarbonization within the PJM region.</p> <p>Cities have an additional unique lever as both large electricity users and political entities. Mayors and other city leadership can use their platforms to elevate PJM issues and bring more attention to the climate impacts of decision-making.</p>
<b>Scope</b>	<p>The Coalition is focused on driving decarbonization at the wholesale market level which may require engagement with the Federal Energy Regulatory Commission (FERC), PJM, utilities and others.</p> <p><b>PJM Policy and Regulation</b> The Coalition specifically supports PJM action that:</p> <ul style="list-style-type: none"> <li>● Preserves policies that open markets to low carbon energy resources and solutions;</li> <li>● Ensures organizational and governance reforms so that cities and other end users can equitably weigh in on key decisions affecting their constituencies; and</li> <li>● Focuses on maintaining access, transparency, and accountability in PJM governance and operations</li> </ul> <p><b>Aligning Goals and Planning Regionally</b> The Coalition cities are dedicated to pursuing solutions to climate change, reducing carbon emissions, and removing barriers to decarbonization solutions in their regional wholesale electricity market. Many cities in PJM have set individual climate goals and are taking steps to reduce local greenhouse gas (GHG) emissions and see the need to build on this leadership. The cities will support efforts to align decarbonization goals with the various levels of planning within the PJM region, including actions at the Regional Transmission Organization (RTO), state and utility level.</p> <p><b>Low Carbon Solutions</b> The coalition will support decarbonization solutions which may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>● Renewable Energy;</li> <li>● Demand Side Management;</li> <li>● Energy Efficiency;</li> <li>● Energy Storage Applications;</li> <li>● Beneficial Electrification such as Electric Vehicles; and</li> <li>● Carbon Pricing</li> </ul>
<b>Membership</b>	The Coalition has been launched as a Coalition of cities and will be inclusive of any local government within the PJM territory who can commit to the participation level defined within the three membership tiers. The term “city” is used across our materials to refer to the broader set of local

	<p>governments. City representatives participating as Coalition members will be the staff charged with reaching clean energy goals set by the local government, although cities may choose to include other city team members.</p> <p>Coalition membership is defined by three tiers that allow cities to commit to a level of participation that meets their needs.</p> <ul style="list-style-type: none"> <li>● <b>Dual Member Cities Tier:</b> These cities have opted to become members of PJM itself as well as members of the PJM Cities Coalition. Their membership at PJM allows them to vote within PJM’s governance structure and influence policy. These cities are responsible for the costs and responsibilities related to their PJM Membership Standing, including finding support from subject matter experts if needed and will collaborate with the other cities in their tier. Dual Member Cities are not required to coordinate their votes or seek approval from the broader Coalition on their voting. Dual Member Cities are expected to share information on their voting and leverage their awareness on PJM issues with the broader Coalition membership. Dual Member Cities are required to follow the Communication Guidelines when discussing their voting positions publicly. Should their membership within PJM lapse, these members may stay within the Dual Member Tier for up to a year.</li> <li>● <b>Participating Cities Tier:</b> These cities have opted to not become a member of PJM itself but commit to serving as active partners in the Coalition. This role provides an active role in decision making, the opportunity to participate in standing committees or working groups, ability to sign on to public statements or other actions, and access to educational materials developed for the Coalition membership.</li> <li>● <b>Observing Cities Tier:</b> These cities have opted to play a non-active role in developing or executing the agenda of Coalition. These cities are participating as observers in order to build their own capacity to engage at the wholesale level. They may join quarterly Coalition calls, join any public action the coalition takes on, and have access to education materials developed for the Coalition membership.</li> </ul> <p>New members may express interest in joining the coalition by submitting a Member Application to be shared with all existing coalition members for review and approved by the Steering Committee. New members welcomed to join after application review may do so by adopting the charter. New members will adopt the charter by submitting a letter stating their city’s intention to participate within one of the tiers and referencing the charter through an attachment to the letter. Existing members may use the same application and process for moving across tiers.</p> <p>Members may leave the Coalition at any time. Notice to other members should be provided as soon as a city has decided to leave the Coalition.</p>
<b>Funding and Budget</b>	<p>The Coalition has been launched under a foundation-funded or fiscal sponsor format to be revisited within two years of the charter’s adoption. This initial structure will provide the Coalition time to establish presence and capacity. As the Coalition matures and funding is revisited, the Coalition may elect to establish membership dues scaled to match participation level and/or city size or another funding format. This decision will be made formally through voting or consensus at an in-person meeting.</p> <p>Under the launch format of the Coalition, the Steering Committee will be tasked with managing the budget and making financial information available to members. At the next revision to the charter and/or shift to membership dues, the Steering Committee will establish a more formal reporting mechanism for the budget. The Steering Committee will also prepare an assessment of what staffing is needed to provide administrative support and manage hiring of new staff or support from consultants.</p>

	<p>The revision of the funding format will trigger a larger review of the charter, including structure and governance. The structure will be reviewed to ensure the membership tiers are appropriate for the needs of the cities and the formation of the Steering Committee will be reviewed to ensure it accurately represents the Coalition as a whole. This review will be led by the Steering Committee, reviewed at the annual meeting, and adopted by consensus.</p>
<b>Governance and Decision Making</b>	<p><b>Steering Committee:</b></p> <ul style="list-style-type: none"> <li>● <b>Responsibilities:</b> The Coalition has adopted a Steering Committee to manage fundraising, set the agenda and propose priority projects at the in-person annual meeting, consider requests for Opportunity Projects, manage relationships with partners, and provide administrative support (scheduling calls, planning meetings, etc.) when budget does not allow for staff.</li> <li>● <b>Composition:</b> The Steering Committee will launch with a five-person committee with two members from the Dual Member Tier and three members from the Participating Tier. At launch, any city can nominate themselves or other cities for the Steering Committee and representatives will be selected through formal voting at the annual meeting. In future review of the charter, the Coalition will assess whether staggered terms, limits on representatives per state, or other improvements are needed to ensure the Steering Committee is functioning well.</li> <li>● <b>Representation:</b> Steering Committee representation is defined by tier and voted on by tier. Steering Committee members are expected to represent the needs of their entire tier and not the positions and needs of their own city alone.</li> </ul> <p><b>Additional Committees:</b></p> <ul style="list-style-type: none"> <li>● <b>Standing Committees:</b> The Coalition may make use of additional Standing Committees (such as an Education or Policy Committee) and will establish these at the annual meeting. The coalition will employ an “opt-in” and “opt-out” model for standing committees.</li> <li>● <b>Working Groups:</b> Working groups may be established to take on Priority Projects or Opportunity Projects through-out the year and will coordinate with the Steering Committee. The Coalition will also employ an “opt-in” and “opt-out” model for work groups. Decision-making norms within these groups will be determined by participating members.</li> </ul> <p><b>Decision Making:</b> The Coalition will make use of a mix of in-person consensus, formal voting, and Steering Committee direction depending on the level of decision-making needed.</p> <ul style="list-style-type: none"> <li>● <b>In-Person Consensus:</b> Changes to the charter language, selection of Steering Committee members, establishment of Standing Committees, and other changes that significantly impact the way in which the coalition will operate over the long-term will be decided at the annual in-person meeting when possible. Members who cannot attend the in-person meeting will be encouraged to provide comment in advance or attend via video conferencing system.</li> <li>● <b>Electronic Voting:</b> Near-term decisions including public comment that invokes the Coalition name on behalf of all members, determination of policy positions, release of public materials under the Coalition name, and concerns of the working groups or standing committees that may impact all members can be decided upon using electronic voting, communicated by email. Failure to submit a vote will count as a “stand-aside” position. A tie vote will count as non-passage of the vote. A minimum of 48 hours’ notice will be given for Coalition members to submit their votes. Coalition member communities can submit only one vote per locality.</li> <li>● <b>Steering Committee Direction:</b> The Steering Committee may make decisions related to budget, agendas, the in-person meeting, review of coalition comments and partnerships as</li> </ul>

	<p>needed but are expected to make use of in-person consensus or voting, as appropriate, if a decision will significantly impact members or deviates from the mission or scope of the Coalition.</p> <ul style="list-style-type: none"> <li>● <b>Other:</b> The Coalition will also consider the use of member surveys as a mechanism for collecting broad input if membership exceeds 20 cities.</li> </ul>
<b>Priority Projects and Opportunity Projects</b>	<p>Priority Projects for the year are selected annually at the in-person convening. The Steering Committee is tasked with providing candidate Priority Projects for discussion ahead of the in-person meeting. The cities will collectively discuss and select 1-3 priority areas for the year, using consensus, and develop a workplan. These Priority Projects may be supported by a working group or standing committee composed of cities from the Dual Member or Participating tiers. These areas may be re-selected at the next annual meeting and will expire after one calendar year if not re-selected.</p> <p>During the year, new opportunities may arise that are worthy of consideration. Members may propose Opportunity Projects to the Steering Committee who will be tasked with ensuring these projects have sufficient support from member cities, are within scope, and do not divert an excessive amount of resources away from Priority Projects.</p>
<b>Other Stakeholders and Partners</b>	<p>The Coalition will consider how and when to include and leverage partners and other stakeholders. The Coalition may consider associations, nonprofits, states, public institutions, community groups, and other large customers as potential partners. The Coalition views partnership as a strategy to leverage education and capacity across a wider group of stakeholders as well as ensure similarly aligned organizations support each other and avoid duplicating effort.</p>
<b>Communication and Meetings</b>	<p>The annual meeting will serve as the top opportunity for the Coalition to make significant decisions regarding the charter, funding, working groups, and annual agenda using in-person consensus. In between annual meetings, electronic voting can be utilized.</p> <p>The Steering Committee members will share responsibility for the tasks below and may be supported by staff when funding allows.</p> <ul style="list-style-type: none"> <li>● Coordinate all-member calls, secure conference line and send call invites</li> <li>● Take meeting minutes and post on Coalition's shared file drive</li> <li>● Serve as the designated point of contact for members</li> </ul> <p>Each Working Group or Standing Committee will determine how responsibility will be shared for the communication items listed below in addition to any other items it deems necessary.</p> <ul style="list-style-type: none"> <li>● Secure conference line and send call invites</li> <li>● Take meeting minutes and post on Coalition's shared file drive</li> <li>● Serve as the designated point of contact</li> </ul>
<b>Communication Guidelines</b>	<p>The ability to act collectively to influence PJM level policies and drive decarbonization is a key benefit of the Coalition to its members. Recognizing diverse membership across multiple states, finding ways to navigate policy positions or stances that may differ is key. These guidelines apply to public comment on PJM issues or comment that includes the name "PJM Cities Coalition."</p> <ul style="list-style-type: none"> <li>● <b>Coalition-Wide Comment:</b> Public materials describing the Coalition, its positions, or providing education will use the name "PJM Cities Coalition" broadly and refer to all the city members. These materials must be approved through majority by electronic vote. Language may look like: "The PJM City Coalition supports FERC policies that..."</li> <li>● <b>Sub-Coalition Comment:</b> A group of cities may choose to comment on a policy or action under their own names, identifying themselves as members of the PJM Cities Coalition.</li> </ul>

	<p>They are required to obtain Steering Committee review. Language may look like: “City A and City B, both members of the PJM City Coalition, support the new policy...”</p> <ul style="list-style-type: none"><li>● <b>Dissenting Positions:</b> A city may comment publicly in a way that differs from other members so long as it does not associate that opinion with the coalition. Language may look like: “City A does not support the new policy, this position is its own and not representative of the PJM Cities Coalition’ or simply not mention the Coalition at all.</li></ul>
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