



# Financial Risk Mitigation Senior Task Force Overview

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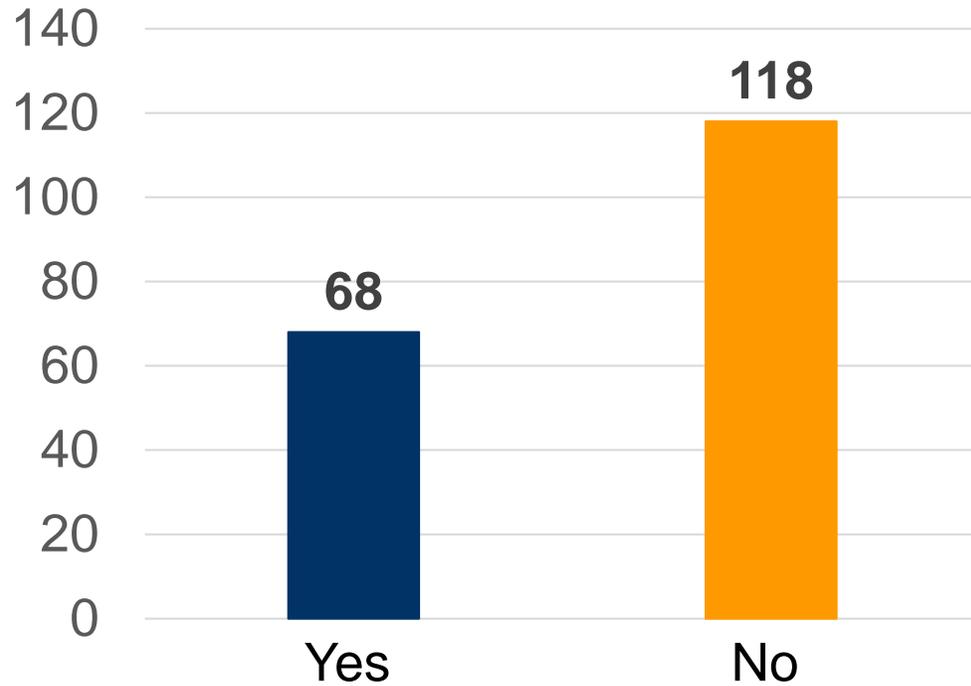
- Senior Task Force stood up in 2019 to evaluate the recommendations based on the Report of the Independent Consultant Report on the GreenHat Default
  - Charter was presented and approved at the April, 2019 MRC
- The scope of work was divided into four work streams
  - Market Rules
  - Credit & Risk Management
  - Membership Qualifications (Market Participation)
  - Stakeholder Process
- 32 meetings of the FRMSTF took place from May, 2019 to present during which time recommendations within each work stream were discussed

Date	Work Stream	Work Item & Conclusion
12/9/2019	Stakeholder Process	No vote necessary as no alternates and agreement to retain status quo
01/23/2020	Market Rules	Package: PJM FTR Product Range and Auction Process Passed under the consent agenda acclamation vote with 7 objections registered for the solution package.
03/26/2020	Membership Qualifications (Market Participation)	Package: PJM Market Participation Risk Evaluation Enhancements Passed by acclamation with one objection and three abstentions.
10/29/2020	Credit & Risk Management	Package: PJM Liquidation Process Passed by acclamation with one objection and one abstention.
08/04/2021	Credit & Risk Management	External Clearing of FTRs PJM completed the evaluation per recommendation B3 of the Greenhat Report – a white paper was posted regarding this topic with the FRMSTF meeting materials for 8/4/2021

Date	Work Stream	Item & Conclusion
08/11/2021	Credit & Risk Management	<p>Initial Margining</p> <p>FRMSTF voted on two proposed solution packages addressing Initial Margining:</p> <ul style="list-style-type: none"><li>• PJM Package (Package A) – 37% support</li><li>• Duke Energy / Perast Package (Package B) – passed with 69% support</li></ul>

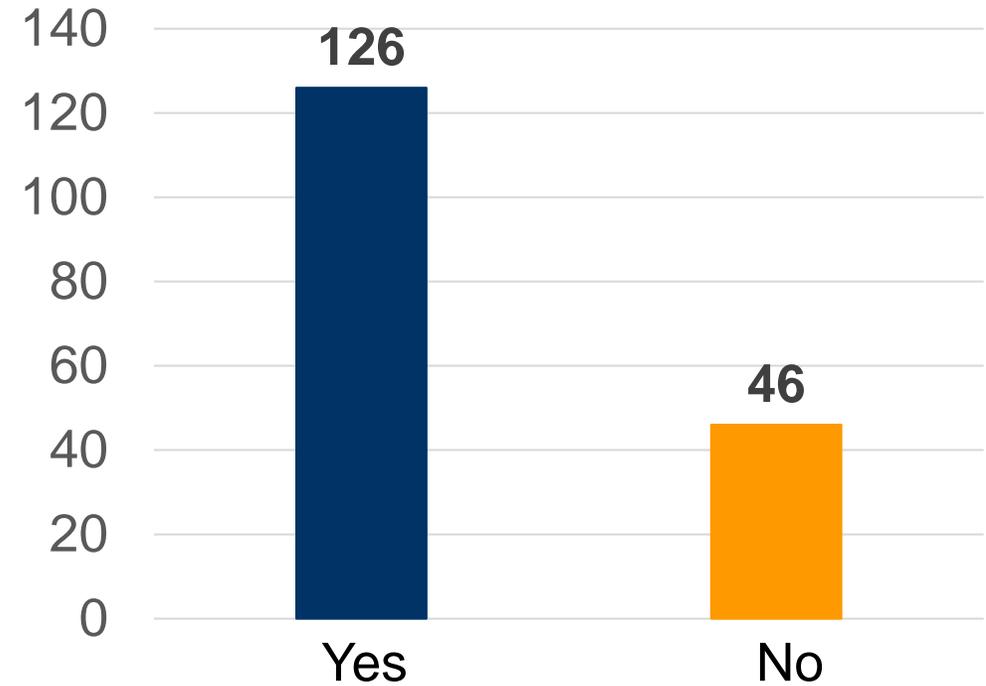
# Appendix

## Do you support PJM Package A?



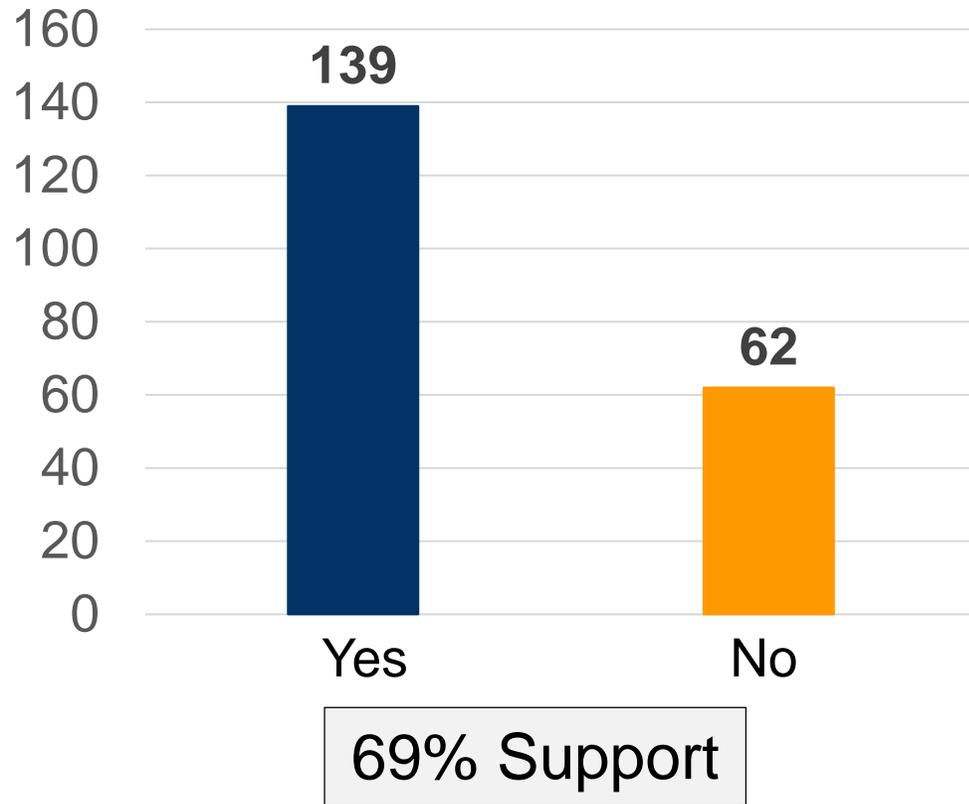
37% Support

## Do you prefer PJM Package A over status quo?

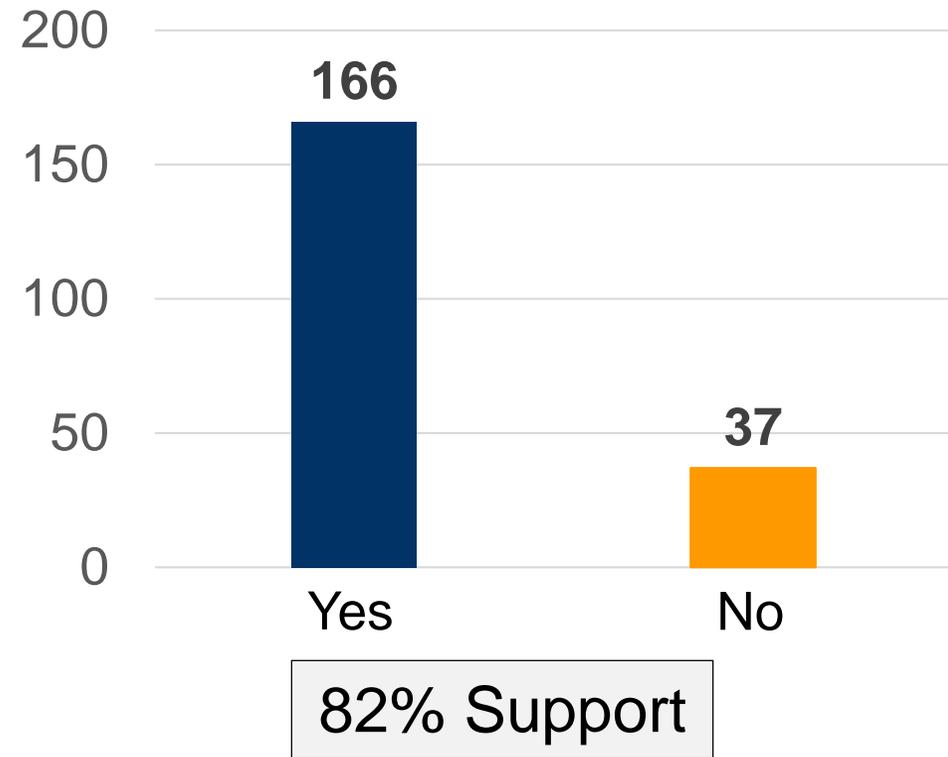


73% Support

## Do you support Duke/Perast Package B?



## Do you prefer Duke/Perast Package B over status quo?



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## FRMSTF Overview



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