



Financial Risk Mitigation Senior Task Force Monthly Progress Report

MC Webinar
June 24, 2019

The Markets and Reliability Committee (MRC) approved the creation of the Financial Risk Mitigation Senior Task Force (FRMSTF) to evaluate the recommendations in the Report of the Independent Consultants on the GreenHat Default (<https://www.pjm.com/-/media/library/reports-notice/special-reports/2019/report-of-the-independent-consultants-on-the-greenhat-default.ashx?la=en>) (the Report) related to:

- Market rules updates
- Credit and risk management rules updates
- Membership qualifications and processes updates
- Stakeholder process changes

Progress Update

5/13/19 Meeting Update

The first meeting of FRMSTF took place on May 13, 2019. PJM staff provided a review of their observations of the Report of the Independent Consultants on the GreenHat Default in relation to the recommendations within the report. In addition, PJM staff introduced various framing questions focused on each of the four work streams to provide a baseline for stakeholder discussion and feedback. Education was also provided during this meeting including an overview of current OA language for the responsibilities of the PJM Board, Officers and Office of the Interconnection in relation to the stakeholder process.

Stakeholders were asked to continue their review of the observations document and framing questions and provide additional written feedback via a follow-up survey which was distributed as a follow-up to the meeting.

6/6/19 Meeting Update

The second meeting of the FRMSTF took place on June 6, 2019. During this meeting, a timeline was shared with the Stakeholders on the sequencing of various work products associated with each work stream. Specific work products will be presented at future meetings. Education was provided by PJM staff including an overview of the OATT Schedule 9, an overview of the FTR and Bilateral Markets and a comparison of the credit rules across various ISOs/RTOs. In addition, the IMM also presented on their perspectives of ARR/FTR Market Design. The meeting continued with discussion on the framing questions survey feedback where a summary was provided of the results within each work stream. Stakeholders had the opportunity to offer additional feedback on PJM's observations of the Report of the Independent Consultants on the GreenHat Default.

Next meeting: June 15, 2019

Author: Anita Patel