

Draft revision to the PJM Credit Overview: <http://www.pjm.com/~media/documents/agreements/pjm-credit-overview.ashx>

transferred between two specific parties for a specified period of time ("BLI Transfers"), and those involving specific dollar amounts between two parties for a specified time period ("Misc. Bilateral Adjustments"). These adjustments are further described below.

It is important to note that the practices described herein are current practices only, and are performed as a service to accommodate requests by PJM members. PJM reserves the right to change or cancel, at any time, any of these provisions, accommodations and adjustments.

FRR and Other Adjustments

Some Transmission Owners (especially in territories joining PJM after the RPM base residual auction for a given year has been held) have utilized an FRR plan to satisfy their capacity obligations. In some of these cases, certain FRR charges and credits flow through the PJM invoices even though those amounts are actually owed between the Transmission Owner and the capacity suppliers for the FRR plan, not to or from PJM. PJM therefore removes those charges and credits from the invoices prior to calculating credit requirements for the parties involved.

Miscellaneous Bilateral Adjustments

Some Participants occasionally request that PJM charge one Participant and credit another Participant a specific dollar amount on a given invoice. All such amounts are reversed for the purpose of credit calculations.

Billing Line Item (BLI) Transfers

Some Participants request that PJM move charges and/or credits in a specified BLI from one account to another. While PJM currently accommodates such financial transfer requests, all such amounts are reversed for the purpose of credit [requirements and RPM Seller Credit](#) calculations.

Withholding of Payments

PJM may withhold payment to a Participant if the Participant is in default or has been declared in Breach of the Credit Policy, or if there is a collateral call outstanding.

Municipal Electric Systems – Special Trade Credit Recognizing that municipal electric systems may, at times, face unique circumstances that could temporarily prevent their ability to make payments on a weekly bill when due, PJM may allow a municipal electric system to make arrangement with PJM whereby PJM would extend trade credit to the municipal electric system sufficient to enable it to make payment on a weekly bill provided that the following conditions are met:

- a) PJM determines, in its sole discretion, that it has sufficient excess working capital available to complete financial settlement with other market participants;