Organizational Changes

- Add Chief Risk Officer
- Enhance skill sets in Credit department
- Markets Risk Modeling Department *(new)*
- Market Analytics and Surveillance Department *(new)*
- Law, Compliance and External Relations Division realignment to improve communication and coordination
- Establish Risk Oversight and Markets Surveillance Committee *(chaired by CRO, includes executive level representation from Finance, Markets and Legal)*

Process Improvements

- Improve communication throughout all interactions with stakeholders. Promote employee training to improve active listening skills and emphasize communications to better understand stakeholder positions and interests.
- Establish clearer escalation guidelines and improve communication to the Executive Team
- Engage an external consulting firm to evaluate PJM’s product offerings and functional area skill sets and business processes, identify any gaps that exist and provide recommendations for a long-term plan to enhance corporate credit and risk management.
- PJM will also complete an external review of market operations procedures – modeled after system operations RCA procedures – to identify risks and ensure that market operations processes include best practices from other regions and industries.
- Establish process for Risk Oversight and Markets Surveillance Committee to review and approve market participant/membership applications
- Review Executive Team communication practices and take steps to improve them.
- Establish Market participant surveillance process and coordinate with Monitoring Analytics on their Market participant surveillance process improvements. Ensure ongoing collaboration
- Enhance regularly reporting process to Executive team to include the following
  - Market participant positions, risk profiles, collateral, collateral requirements, trends and significant events