

Limit Market Participation

Steve Pincus, Associate General Counsel

Risk Management Committee

May 25, 2021

- Operating Agreement, section 15.1.5 specifies actions PJM is to take in the event that a Market Participant defaults, including payment and collateral default
 - One such action is to limit buying or selling in a PJM market
- However, recent events highlighted the need for PJM to have flexibility regarding limiting market participation in the event of a payment, collateral default, or other default when allowing continued market participation is more beneficial to the PJM membership than limiting or prohibiting market participation.

- Revise Operating Agreement, section 15.1.5 to provide the latitude for PJM to limit Market Participant access to buy or sell in PJM markets, as necessary, given individual circumstances of a payment or collateral call default

Draft redlined tariff language is posted with today's materials for informational purposes only

- Use Quick Fix process
- Problem Statement to be reviewed, Issue Charge and solution to be endorsed by the Risk Management Committee
 - First read – May RMC
 - Endorsement – June RMC
- Governing Agreement Updates
 - First Read – July MRC
 - Endorsement – August MRC
 - Endorsement – September MC

Presenter

Steve Pincus, Steven.Pincus@pjm.com

RMC Facilitation Team

Chair - Jim Gluck, Jim.Gluck@pjm.com

Secretary - Emmy Messina,
Emmy.Messina@pjm.com



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com