



# Surety Bond Filing Informational Update

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Risk Management Committee

May 25, 2021

- On February 25, 2021, PJM filed proposed revisions to the Tariff to incorporate provisions allowing the use of surety bonds as a form of Collateral
- On April 28, 2021, the Commission directed PJM to file a compliance filing within 30 days (May 28, 2021) of the date of the order, “adding language describing in detail the required provisions of a PJM-acceptable surety bond to Attachment Q of the Tariff.” *PJM Interconnection, L.L.C.*, 173 FERC ¶ 61, 078 (April 29, 2021)

- PJM proposes to revise Tariff, Attachment Q, section V.D(iii) to make clear that the substantive provisions of PJM's acceptable form of surety bond pursuant to which sureties:
  - waive all of their defenses,
  - agree to the application of Pennsylvania law,
  - agree to unconditional obligations under the surety bond,
  - agree that any revisions that would render the bond less protective of the interests of PJM are non-negotiable.
- The proposed list is not meant to be an exhaustive list of material provisions of a surety bond. It is illustrative of some provisions that would be included in an acceptable form of surety bond.

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

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