

## WINTER WEATHER CREDIT AND RISK MANAGEMENT

### Problem / Opportunity Statement

The length and severity of the winter weather events that took place in February, 2021 exceeded initial expectations in terms of the span of the region impacted as well as the duration of freezing temperatures. Many steps were taken within PJM from a credit and risk perspective to prepare for and to mitigate the impact of these events including:

- FTR collateral assessment
- Coordination across ISOs regarding common members and related LSE/retailers
- Discussions with key market participants regarding unsecured exposures
- Evaluation of requests for collateral returns

These events present an opportunity to reflect on key takeaways and lessons learned and to review mechanisms that PJM and Members can utilize in the event that a similar event occurs in the future.