

MARKET PARTICIPANT DEFAULT FLEXIBILITY

Problem / Opportunity Statement

Operating Agreement, section 15.1.5 specifies actions PJM must take in the case of a Member default. One such action is to limit buying or selling by a Market Participant in a PJM market. Under certain limited circumstances, PJM believes it may be beneficial to have limited flexibility to allow continued market participation in the best interest of PJM membership. These situations may include, but are not limited to, when the Member has the ability to generate revenues or has the ability to provide additional collateral.