

Financial Risk Mitigation Senior Task Force (FRMSTF)
PJM Conference and Training Center
August 14, 2019
9:00 a.m. – 2:30 p.m. EPT

Administration

Ms. Anita Patel opened the meeting.

Ms. Michele Greening provided a welcome, announcements and a review of the Antitrust, Code of Conduct, and Public Meetings/Media Participation Guidelines. No media announced their presence.

Stakeholders approved draft minutes from the July 17, 2019 meeting as posted with no objections registered.

Ms. Susan Riley introduced Ms. Nigeria Bloczynski, the new Chief **Financial** Risk Officer for PJM. Ms. Nigeria Bloczynski provided her vision for the credit work stream going forward.

Work Plan

Ms. Anita Patel reviewed the Financial Risk Mitigation Senior Task Force stakeholder process work plan and discussed the planned approach for extending the task force meetings beyond a single day. The addition of the September 6, 2019 half day meeting was noted. The meeting is published on the PJM stakeholder meeting calendar and open for registration. Additional meeting date extensions will be added and communicated to stakeholders.

An updated FRMSTF Publication Schedule was also posted and changes were addressed during the meeting. This included the removal of two previously listed documents which were incorporated into other papers and presented during the 7/17 FRMSTF meeting. The two removed items included the following:

Report: Desk Evaluation of Position/Concentration Limit Options and Report: Results of Position/Concentration Limit Quantitative Analysis. Both of these papers were incorporated into the PJM Report on the Desktop Review of the Methodologies for Initial Margin Calculation and PJM Report on Position/Concentration Limit Options presented during the 7/17 FRMSTF meeting.

In addition, the Financial Criteria for Participation and Credit Events and Discretionary Authority papers were deferred to later dates on the schedule. An updated version of the publication schedule will be provided for the next FRMSTF meeting.

Discussion Papers and Initial Proposals

Ms. Rebecca Carroll provided an overview of two initial proposals addressing: 1) PJM's recommended changes with respect to due diligence criteria and an assessment process, and 2) PJM's recommended changes with respect to authorities and discretion to deny or revoke trading rights. Stakeholders were encouraged to provide feedback and alternative proposals for review at the next FRMSTF meeting.

Mr. Dave Anders reviewed an update to PJM’s initial proposal regarding Enduring Governance including subcomponents populated into a solutions matrix. An alternative proposal offered by Calpine was also populated and captured into the posted solutions matrix for stakeholder consideration. PJM will consider stakeholder feedback received and will consider timing with relation to next steps and a path forward. Advanced notice will be provided to stakeholders when seeking alternative proposals.

Mr. Brian Chmielewski provided an overview of PJM’s initial proposal on the FTR Product Range and Auction Process populated into a solutions matrix. Stakeholders provided alternative proposals relating to FTR Product Range and Auction Process. The alternatives proposals were noted during the discussion and PJM will work with the respective sponsors to populate details into the solutions matrix.

Mr. Joe Wadsworth, Vitol Inc., provided a presentation discussing long-term auction frequency and a rolling monthly FTR auction concept.

Future Agenda Items

The next meeting is scheduled for September 5, 2019 and has been extended to include the morning of September 6. Agenda topics will include a PJM Position Paper on Financial Criteria, a PJM Discussion Paper on Default and Termination Events.

Future Meeting Dates

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|-----------------------|-----------|---|
| September 5-6, 2019 | 9:00 a.m. | PJM Conference & Training Center/ WebEx |
| September 24-25, 2019 | 9:00 a.m. | PJM Conference & Training Center/ WebEx |
| October 18, 2019 | 9:00 a.m. | PJM Conference & Training Center/ WebEx |
| November 7, 2019 | 9:00 a.m. | PJM Conference & Training Center/ WebEx |

In Person Attendance

| Last Name | First Name | Company Name | Sector |
|-------------|------------|---------------------------------------|--------------------|
| Barker | Jason | Exelon Business Services Company, LLC | Transmission Owner |
| Bessemer | Todd | Market Reform | Not Applicable |
| Bleiweis | Bruce | DC Energy LLC | Other Supplier |
| Bloczynski | Nigeria | PJM Interconnection, LLC | Not Applicable |
| Bresler | Stu | PJM Interconnection, LLC | Not Applicable |
| Brodbeck | John | EDP Renewables North America, LLC | Other Supplier |
| Carroll | Rebecca | PJM Interconnection, LLC | Not Applicable |
| Chmielewski | Brian | PJM Interconnection, LLC | Not Applicable |
| Clarke | Linda | PJM Interconnection, LLC | Not Applicable |
| Drauschak | Lisa | PJM Interconnection, LLC | Not Applicable |
| Foladare | Kenneth | Tangibl | Not Applicable |
| Greening | Michele | PJM Interconnection, LLC | Not Applicable |
| Greiner | Gary | PSEG Energy Resources and Trade LLC | Other Supplier |
| Haas | Howard | Monitoring Analytics, LLC | Not Applicable |
| Hayik | Seth | Monitoring Analytics, LLC | Not Applicable |
| Herel | Suzanne | PJM Interconnection, LLC | Not Applicable |

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|-----------|------------|--|----------------------|
| Horger | Tim | PJM Interconnection, LLC | Not Applicable |
| Horning | Lynn Marie | Customized Energy Solutions, Ltd. | Not Applicable |
| Hugee | Jacqui | PJM Interconnection, LLC | Not Applicable |
| Jobes | Sylvie | Nodal Exchange | Not Applicable |
| Karousos | Demetri | Nodal Exchange | Not Applicable |
| Kogut | George | New York Power Authority | Other Supplier |
| Lejcar | Jamie | Allegheny Electric Cooperative, Inc. | Electric Distributor |
| Lieberman | Steven | American Municipal Power, Inc. | Electric Distributor |
| Midgley | Sharon | Exelon Business Services Company, LLC | Transmission Owner |
| Nix | Emma | PJM Interconnection, LLC | Not Applicable |
| O'Connell | Robert | PPGI Fund A/B Development, LLC | Generation Owner |
| Patel | Anita | PJM Interconnection, LLC | Not Applicable |
| Pincus | Steve | PJM Interconnection, LLC | Not Applicable |
| Price | Ruth | Division of the Public Advocate of the State of Delaware | End User Customer |
| Sweeney | Rory | GT Power Group | Not Applicable |
| Tribulski | Jennifer | PJM Interconnection, LLC | Not Applicable |
| Wadsworth | Joseph | Vitol Inc. | Other Supplier |
| Whitehead | Jeffrey | GT Power Group | Not Applicable |
| Wynder | Michael | Nodal Exchange | Not Applicable |
| Yoo | Kyungjin | PJM Interconnection, LLC | Not Applicable |

Teleconference Attendance

| Last Name | First Name | Company Name | Sector |
|-----------|------------|--|--------------------|
| Anders | David | PJM Interconnection, LLC | Not Applicable |
| Anderson | Kevin | Washington Gas Energy Services, Inc. | Other Supplier |
| Bazar | Kevin | PJM Interconnection, LLC | Not Applicable |
| Benckek | Jim | American Transmission Systems, Inc. | Transmission Owner |
| Bruce | Susan | McNees Wallace & Nurick LLC | Not Applicable |
| Budney | David | PJM Interconnection, LLC | Not Applicable |
| Campbell | Bruce | EnergyConnect, Inc. | Other Supplier |
| Canter | David | Appalachian Power Company | Transmission Owner |
| Carmean | Gregory | OPSI | Not Applicable |
| Chu | Michael | Forest Investment Group, LLC | Other Supplier |
| Conn | Jeff | Big Bend Trading, LLC | Other Supplier |
| Cook | Michael | Appalachian Power Company | Transmission Owner |
| Coyne | Suzanne | PJM Interconnection, LLC | Not Applicable |
| Croop | Danielle | PJM Interconnection, LLC | Not Applicable |
| Davis | Jim | Dominion Energy Generation Marketing, Inc. | Generation Owner |
| Depillo | Raymond | PSEG Energy Resources and Trade LLC | Other Supplier |

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|------------|------------|---|----------------------|
| DiNicola | Laura | FirstEnergy Solutions Corp. | Transmission Owner |
| Duensing | Allison | Saracen Energy East LP | Other Supplier |
| Dugan | Chuck | East Kentucky Power Cooperative, Inc. | Transmission Owner |
| Durinsky | Mike | FirstEnergy Solutions Corp. | Transmission Owner |
| Endress | Eric | PJM Interconnection, LLC | Not Applicable |
| Fazio | Danielle | Noble Americas Gas & Power Corp. | Other Supplier |
| Filomena | Guy | Customized Energy Solutions, Ltd. | Not Applicable |
| Fitch | Neal | NRG Power Marketing, LLC | Generation Owner |
| Ford | Adrien | Old Dominion Electric Cooperative | Electric Distributor |
| Gilani | Rehan | ConEdison Energy, Inc. | Other Supplier |
| Gorman | Kevin | Highlands Energy Group LLC (The) | Other Supplier |
| Grau | Patrick | Apogee Energy Trading LLC | Other Supplier |
| Guler | Teoman | J. Aron & Company LLC | Other Supplier |
| Hanser | Erik | Michigan Public Service Commission | Not Applicable |
| Hastings | David | DHAST Co. | Not Applicable |
| Heider | Ben | Southern Maryland Electric Cooperative, Inc. | Electric Distributor |
| Heinle | Frederick | Office of the People's Counsel | End User Customer |
| Hoatson | Tom | West Deptford Energy II, LLC | Other Supplier |
| Hohenshilt | Jennifer | Talen Energy Marketing, LLC | Generation Owner |
| Holdbrook | Ruth | Northern Virginia Electric Cooperative | Electric Distributor |
| Holter | Natasha | PJM Interconnection, LLC | Not Applicable |
| Horning | Lynn Marie | Customized Energy Solutions, Ltd. | Not Applicable |
| Horstmann | John | Dayton Power & Light Company (The) | Transmission Owner |
| Horton | Dana | Appalachian Power Company | Transmission Owner |
| Huntoon | Stephen | Chesapeake Transmission LLC | Other Supplier |
| Hurwich | Mark | Elliott Bay Energy Trading, LLC | Other Supplier |
| Hyzinski | Tom | GT Power Group | Not Applicable |
| Janicki | Diane | Boston Energy Trading & Marketing, LLC | Generation Owner |
| Jens | Thomas | Black Oak Energy, LLC | Other Supplier |
| Johnson | Ryan | NRG Power Marketing LLC | Generation Owner |
| Kauffman | Brian | EnerNOC, Inc. | Other Supplier |
| Kelly | Stephen | Brookfield Energy Marketing LP | Other Supplier |
| Kilgallen | Kevin | Avangrid Renewables, LLC | Generation Owner |
| Klein | Abram | Appian Way Energy Partners MidAtlantic, LLC | Other Supplier |
| Kozhuharov | Dimitar | Delaware Municipal Electric Corporation, Inc. | Electric Distributor |
| Kuo | David | DC Energy Mid-Atlantic, LLC | Other Supplier |
| LaRocque | Matthew | PJM Interconnection, LLC | Not Applicable |
| Lewis | Lisa | Dominion Virginia Power | Not Applicable |
| McGlynn | Paul | PJM Interconnection, LLC | Not Applicable |
| Messina | Emmy | PJM Interconnection, LLC | Not Applicable |

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|------------|-----------|---------------------------------------|----------------------|
| Norton | Chris | American Municipal Power, Inc. | Electric Distributor |
| Ondayko | Brock | Appalachian Power Company | Transmission Owner |
| Pakela | Greg | DTE Energy Trading, Inc. | Other Supplier |
| Patel | Keyur | PJM Interconnection, LLC | Not Applicable |
| Pelletier | Eveline | Hydro-Quebec | Not Applicable |
| Peoples | John | Duquesne Light Company | Transmission Owner |
| Perera | Asanga | PJM Interconnection, LLC | Not Applicable |
| Philips | Marji | Direct Energy Business Marketing, LLC | Other Supplier |
| Poulos | Greg | CAPS | Not Applicable |
| Price | Mark | DC Energy Mid-Atlantic, LLC | Other Supplier |
| Ramsey | James | Suffolk Fund LLC | Other Supplier |
| Robinson | Becky | Vistra Energy | Not Applicable |
| Robson | Matt | SESCO Enterprises LLC | Other Supplier |
| Russell | Randy | Suffolk Fund LLC | Other Supplier |
| Sasser | Jonathan | Customized Energy Solutions, Ltd.* | Not Applicable |
| Shanker | Roy | H.Q. Energy Services (U.S.), Inc. | Other Supplier |
| Sims | Tom | FirstEnergy Solutions Corp. | Transmission Owner |
| Singer | Chad | Trane Grid Services, LLC | Other Supplier |
| Solomon | Greg | NextEra Energy Marketing, LLC | Generation Owner |
| Souder | Michelle | PJM Interconnection, LLC | Not Applicable |
| Stotesbury | Christina | PJM Interconnection, LLC | Not Applicable |
| Sturgeon | John | Duke Energy Carolinas, LLC | Other Supplier |
| Sulc | Maggie | AEP Energy, Inc. | Transmission Owner |
| Sun | Haibin | Constellation Energy Services, Inc. | Other Supplier |
| Thai | Jake | CAISO | Not Applicable |
| Thompson | Matthew | XO Energy MA, L.P. | Other Supplier |
| Tibbetts | Maeve | Pierce Atwood | Not Applicable |
| Walsh | Denise | California ISO | Not Applicable |
| Ward | Michael | PJM Interconnection, LLC | Not Applicable |
| Whited | Michael | DC Energy Mid-Atlantic, LLC | Other Supplier |
| Williams | Stanley | PJM Interconnection, LLC | Not Applicable |
| XU | XU | PJM Interconnection, LLC | Not Applicable |