

WINTER WEATHER CREDIT AND RISK MANAGEMENT

Issue Source

PJM

Issue Content

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. These events present an opportunity to reflect on key takeaways and lessons learned from actions taken. This issue charge will explore the mechanisms that PJM and Members can utilize from a credit and risk perspective in future emergency situations and determine if any enhancements are necessary.

Key Work Activities and Scope

The following are some key work activities that should be undertaken to address the issue articulated above.

1. Provide education on:
 - a. Key takeaways and lessons learned from Winter 2021 events
 - b. Existing credit and risk tools/mechanisms for managing emergency situations
2. Gather feedback from Members on their experiences from the winter weather events from a credit and risk management perspective
3. Explore potential enhancements to credit and risk management tools

Expected Deliverables

1. Updated Governing Agreement and/or manual language specifying enhancements to credit and risk mechanisms available to PJM and Members

Out of Scope

1. Enhancements to mechanisms outside of the scope of the Risk Management Committee which may be operations and/or reliability-focused

Decision-Making Method

Tier 1 consensus (unanimity) on a single proposal via Consensus-based Issue Resolution process

Stakeholder Group Assignment

Risk Management Committee

Expected Duration of Work Timeline

The expected duration of this effort is four-six months for consideration by the RMC of the Issue Charge and proposed solution.

Start Date tbd	Priority Level <input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	Timing <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Near Term <input type="checkbox"/> Far Term	Meeting Frequency <input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly
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Charter

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments)