



Winter Storm Elliott Performance Assessment Interval (PAI) Settlements

Risk Management Committee
September 2023

Total penalties for the event remained steady at \$1,796 million in August.

Election	% of Sub-Accounts with Charges	Penalty Charges		Total Interest Charges
		Total Gross	% of Gross	
3 Months	71%	\$524 million	30%	N/A
9 Months	29%	\$1,272 million	70%	\$15 million
Total	100%	1,796 million	100%	\$15 million

Penalty charges* billed in March–May: \$315.9 million per month	Penalty charges* billed in June – November: \$141.3 million per month
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**Excludes interest charges*

The total penalties and interest charges to be billed on a monthly basis have been [posted](#) on the Winter Storm Elliott web page.

Total Billing to Date			
	Total Non-Performance Charges Invoiced	Total Non-Payment	Non-Payment Rate
March 2023 through August 2023	\$1,381,989,929 (76% of total charges for the event)	\$57,874,644	4.2%

- The monthly non-payment rate decreased very slightly from 8.5% in July to 8.4% in August 2023.
 - There were no new members with non-payments in August.
 - This decrease was driven by small corrections to the interest charges. These adjustments provided small refunds that offset charges and reduced the non-payment amounts for the month.
- The initial holdback for bonus credits will remain at 20% for September 2023*.

*If the September 2023 PAI charges are invoiced in October. See slide 5 re: waiver filing.

- Following months of negotiations, PJM and certain of its member companies have reached a settlement in principle to resolve many of the complaints filed against PJM relating to Winter Storm Elliott.
- The settlement, if approved by FERC, will result in a reduced amount of non-performance charges assessed to market participants with performance shortfalls and a correspondingly reduced amount of bonus credits to be paid to market participants with bonus performance.
- Details of the settlement are currently confidential. Participants are currently finalizing the settlement materials. They will become public when filed with FERC in late September 2023.

- On September 8, PJM and several parties to the settlement discussions jointly sought a [waiver](#) from FERC to allow PJM to defer billing and collection of the remaining non-performance charges stemming from Winter Storm Elliott, and disbursement of bonus credits, beginning with the September monthly invoice to be issued in October.
- PJM has requested FERC action on the waiver by September 25, 2023.
- If the waiver request is approved:
 - PAI billing will be suspended starting with the September invoice issued in October.
 - Future invoices will not contain any PAI charges or credits until PJM receives an order approving or rejecting the settlement terms.

- If FERC approves the waiver request, PJM will resume PAI billing:
 - Per the terms of the Settlement after receipt of FERC approval of the settlement
 - OR
 - Within 35 days of receipt of FERC rejection of the settlement
- If FERC denies the waiver request, PJM will continue billing PAI charges and credits in the September invoice issued in October as originally scheduled.

Appendix



Financial Settlement for August 2023

PJM collected 91.6% of all non-performance charges invoiced in August (principal plus interest).

	Principal	Interest	Total
Total Monthly Non-Performance Charges Invoiced	\$141,331,772.73	\$1,675,850.66	\$143,007,623.39
Total Monthly Non-Performance Charges Collected	\$129,386,210.13	\$1,578,399.28	\$130,964,609.41
Non-payment	\$ 11,945,562.60	\$ 97,451.38*	\$ 12,043,013.98

This table represents all Winter Storm Elliott PAI charges billed in the August invoice. This includes the initial August charges and adjustments to prior months.

*For simplicity, when allocating payments received towards PAI charges, PJM first applies payments to interest charges, then to non-performance charges



Actual Holdback for August 2023 & Adjustment to Bonus Credits

An additional \$16.3 million in bonus credits for August will be distributed in the September bill*.

	Principal	Interest	Total
Total Monthly Non-Performance Charges for August	\$141,331,772.73	\$1,699,448.96	\$143,031,221.69
Actual Holdback based on August Non-Payment ⁺	\$ 11,945,824.37	\$ 97,451.38	\$ 12,043,275.75
Total Credits Due to be Paid for August	\$129,385,948.36	\$1,601,997.58	\$130,987,945.94
Credits for August Invoiced in August	\$113,065,418.18	\$1,593,626.84	\$114,659,045.02
Adjustment to August Bonus Credits (additional credits to be paid in September^{**})	\$ 16,320,530.18	\$ 8,370.74	\$ 16,328,900.92

*If the September 2023 PAI charges are invoiced in October. See slide 5 re: waiver filing.

⁺The actual holdback is higher than the August non-payment amount because the holdback includes pre-petition net credits that have been earned by parties in bankruptcy but, upon authorization by the relevant bankruptcy court, may be set off by PJM against such bankrupt parties' payment obligations. These credits have reduced the amount of total non-payment that has been calculated, but they are being withheld from bonus payouts and will be distributed to the bonus pool as appropriate following bankruptcy court authorization of PJM's setoff of such credits.

The initial holdback applied for September bonus credits will be 20%*.

	Principal	Interest	Total
Total Monthly Non-Performance Charges for September (exclusive of prior period adjustments)	\$ 141,331,772.73	\$ 1,699,448.96	\$ 143,031,221.69
Initial Holdback	\$ 28,266,354.55 (20% - covers principal charges from accounts with non-payment in August plus additional risk)	\$ 105,822.11 (covers non-payment from accounts with non-payment in August)	\$ 28,372,176.66
Initial Bonus Credit to Be Paid for June	\$ 113,065,418.18	\$ 1,593,626.85	\$ 114,659,045.03

*If the September 2023 PAI charges are invoiced in October. See slide 5 re: waiver filing.

Entities in Default

Entities in Bankruptcy

EFS Parlin Holdings, LLC ^

Elgin Energy Center, LLC *

Rocky Road Power, LLC *

Heritage Power Marketing, LLC*

^Market notice of bankruptcy sent on 5/1/2023

*Market notice sent on 4/14/2023

** As of 5/16/2023

- PJM member Heritage Power Marketing, LLC and 18 affiliates (Blossburg Power, LLC; Brunot Island Power, LLC; Gilbert Power, LLC; Hamilton Power, LLC; Heritage Power, LLC; Heritage Power Marketing, LLC; Hunterstown Power, LLC; Mountain Power, LLC; New Castle Power, LLC; Niles Power, LLC; Orrtanna Power, LLC; Portland Power, LLC; Sayreville Power, LLC; Shawnee Power, LLC; Shawville Power, LLC; Titus Power, LLC; Tolna Power, LLC; and Warren Generation, LLC) filed Chapter 11 bankruptcy petitions on January 24, 2023 in the U.S. Bankruptcy Court for the Southern District of Texas (Case No. 23-90032)
- Lincoln Power, L.L.C. and 7 affiliates (including PJM members Elgin Energy Center, LLC and Rocky Road Power, LLC) filed Chapter 11 bankruptcy petitions on March 31, 2023 in the U.S. Bankruptcy Court for the District of Delaware (Case No. 23-10382)
- EFS Parlin Holdings, LLC filed a Chapter 11 bankruptcy petition on April 28, 2023 in the U.S. Bankruptcy Court for the District of Delaware (Case No. 23-10539)

- The payment obligations of Lee County Generating Station have been stayed until January 2024, per the waiver granted in FERC Docket EL23-57.



Winter Storm Elliott FERC-Filed Complaints

Docket	Complainants
EL23-53	Essential Power OPP, LLC; Essential Power Rock Springs, LLC; Lakewood Cogeneration, L.P.
EL23-54	ComEd Zone Generators: Aurora Generation, LLC; Elwood Energy, LLC; Jackson Generation, LLC; Lee County Generating Station, LLC; Lincoln Generating Facility, LLC; LSP University Park, LLC; Rockford Power, LLC; Rockford Power II, LLC; and University Park Energy, LLC
EL23-55	Coalition of PJM Capacity Resources: Ad Hoc Committee of Certain Noteholders of Talen Energy Corp.; Clean Energy Future – Lordstown, LLC Competitive Power Ventures Holdings, LP; Hickory Run Energy, LLC; Lanyard Power Holdings, LLC; Lightstone Marketing LLC; Orion Power Holdings, LLC; Parkway Generation Operating LLC; Brunner Island, LLC; H.A. Wagner LLC; Montour, LLC; Camden Plant Holding, L.L.C.; MC Project Company LLC; Talen Energy Marketing, LLC; Red Oak Power, LLC; and South Field Energy LLC
EL23-56	Talen Energy Marketing, LLC
EL23-57	Lee County Generating Station, LLC
EL23-58	SunEnergy1, LLC
EL23-59	Lincoln Generating Facility, LLC
EL23-60	Parkway Generation Keys Energy Center LLC
EL23-61	Old Dominion Electric Cooperative



Winter Storm Elliott FERC-Filed Complaints

Docket	Complainants
EL23-63	Energy Harbor LLC
EL23-66	Calpine Corporation
EL23-67	Invenergy Nelson LLC
EL23-74	East Kentucky Power Cooperative
EL23-75	CPV Maryland
EL23-77	Parkway Sellers

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PAI Settlements



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