

FTR Credit Enhancement

Issue Source

This Issue Charge is presented by LS Power, Parkway Generation, and Lightstone Marketing

Issue Content

~~This effort will review the current Credit Policy in light of the different risk profiles of market participants for net positive PJM revenue market participants and review potential other sources of credit support. This effort will review the current Credit Policy in light of the different risk profiles of market participants and review potential other sources of credit support including other PJM revenue sources for participants trading for the sole purpose of hedging congestion.~~

Key Work Activities and Scope

1. Education on the Membership process and the selection of the type of FTR Participant in the FTR market.
2. Education on the current Credit Policy and PJM's review of Market Participants' creditworthiness process.
3. Identification and review of potential other sources of credit support including revenues from other PJM markets that currently are not reviewed by PJM or incorporated in PJM's current creditworthiness process.
4. Consideration of potential changes to the PJM Credit Policy

Expected Deliverables

Proposed solution package(s) addressing credit requirements for differing risk profiles of market participants.

Corresponding revisions to the PJM Tariff or other governing document provisions consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option).

Stakeholder Group Assignment

This issue will be considered in the Risk Management Committee (RMC).

Expected Duration of Work Timeline

This stakeholder effort should be completed to support any necessary FERC filing in Q4, 2024. PJM estimates that implementation of any solution that is accepted by FERC can take approximately 18 months or longer, depending on the solution.

Issue Charge

Start Date	Priority Level	Timing	Meeting Frequency
Click here to enter a date.	<input type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<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).