



Problem/Opportunity Statement

REVIEW OF RPM SELLER CREDIT PROVISION FOR MARKET PARTICIPANTS

PROBLEM / OPPORTUNITY STATEMENT

Per OATT, Attachment Q, Section VI.B.6, RPM Seller Credit is available to Market Participants to meet the requirements outlined in that section. This credit is extended solely to satisfy RPM auction credit requirements and serves as an additional form of unsecured credit, without consideration of the Market Participants' creditworthiness.

As part of PJM's ongoing efforts to improve risk management and minimize defaults, there is an opportunity to review whether the existing RPM Seller Credit provision should be modified to include creditworthiness as a criterion for granting this unsecured credit.