



# PJM Credit Overview and Supplement

Mark Million  
Credit Subcommittee  
November 9, 2017



- The Credit Overview Document explains the Credit Policy and, in accordance with FERC Order 890, may include credit practices and details that are not enumerated in the Tariff
  - Peak Market Activity (PMA) credit requirement calculation examples
  - The unsecured credit algorithm for unrated companies
  - Default Allocation Assessment examples
- If conflicts exist between explanations in the Overview and any of the PJM Agreements (Operating Agreement, tariff, ...), the PJM Agreements govern

- The Credit Overview document was updated to version 3.0 on October 6, 2017
  - Better clarity – reformatting, rewording, improved examples
  - Additional Tariff provisions
    - RPM – Capacity performance, Price Responsive Demand, Milestone reductions
    - FTR – removal of 2x Undiversified adder
    - Exports & CTS
    - Late payment penalty
  - New eCredit functionality – Cash module
  - Member responsibility to maintain contact information for communications
  - How to request collateral returns in eCredit (Appendix 3)
  - Explanation of Minimum Collateral Reserve (Appendix 4)
  - Forms, descriptions and Links (Appendix 5)

- The overview can be accessed at:  
<http://www.pjm.com/~media/documents/agreements/pjm-credit-overview.ashx>
- The document can also be accessed on the following webpages:
  - Credit subcommittee
  - Member forms
  - OASIS reference
  - Reports screen in eCredit