

REVIEW OF RPM SELLER CREDIT PROVISION FOR MARKET PARTICIPANTS

Issue Source

PJM is bringing this issue charge as part of its efforts to enhance its risk management practices. PJM's RPM Seller Credit was designed to provide participants with limited unsecured credit for consistent net sell positions in the PJM Market.

Issue Content

There is an opportunity to review the existing provisions pertaining to RPM Seller Credit and determine whether modifications could enhance PJM's credit risk mitigation efforts. PJM seeks to maintain an open and liquid market while minimizing costly defaults.

Out of Scope Content

This effort is limited to RPM Seller Credit.

Key Work Activities and Scope

1. Review existing relevant business rules and language related to RPM Seller Credit, as defined in the OATT, Part I, Definitions and used in the OATT, Attachment Q, Section VI.;
2. Review and discuss potential concerns regarding the extension of unsecured credit without considering the Market Participant's creditworthiness;
3. Review qualifications for the use of RPM Seller Credit and evaluate whether a Market Participant's creditworthiness should be factored into its availability.
4. Proposed solution(s) to address necessary enhancements to the areas identified under the Issue Content section above.

Expected Deliverables

Proposed solution to enhance the extension of RPM Seller Credit to align with the parameters for extension of unsecured credit *allowance in Attachment Q Section II.G*

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. If applicable, 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 effort will commence in the Risk Management Committee.

Expected Duration of Work Timeline

Work is expected to be completed to support a FERC filing by September 2025. PJM will seek to utilize CBIR Lite process for this issue

Start Date	Priority Level	Timing	Meeting Frequency
December 2024	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" 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).

More detail available in Attachment Q, Section VI