

BOARD OF MANAGERS MEETING MINUTES

Jan. 23, 2023

A meeting/conference call of the PJM Interconnection, L.L.C. (PJM) Board of Managers (Board) was convened at approximately 5 p.m. on Jan. 23, 2023

The following Board members were present, constituting a quorum:

- Mark Takahashi, Chair
- Manu Asthana, President and Chief Executive Officer (ex officio)
- Paula Conboy
- Jeanine Johnson
- Margo Loebel
- David Mills
- Dean Oskvig
- Charles Robinson
- Vickie VanZandt

Terry Blackwell had an excused absence.

Present for the meeting were the following PJM personnel:

- Stu Bresler, Sr. Vice President – Market Services
- Mike Bryson, Sr. Vice President – Operations
- Carl Coscia, Vice President, Chief Risk Officer
- Lisa Drauschak, Vice President, Chief Financial Officer, Treasurer
- Lisa Salmon, Executive Assistant
- Asim Haque, Vice President – State and Member Services
- Colleen Hicks, Associate General Counsel
- Tom O'Brien, Sr. Vice President – Chief Information Officer
- Chris O'Hara, Sr. Vice President, General Counsel
- Ricardo Rodriguez, Sr. Director – Internal Audit
- Nora Swimm, Sr. Vice President – Corporate Client Services

PERFORMANCE ASSESSMENT INTERVAL CREDIT/BILLING APPROACH

- Carl Coscia reviewed the successful credit actions following the Dec. 23 and 24 Winter Storm Elliott, including outreach to the Market Participants with large energy bills, particularly suppliers that generally do not owe energy payments, and the successful collection of prepayments and payments from Market Participants for their weekly charges. Coscia further explained that the decision was made in the case of several suppliers to not assess them with a Peak Mark Activity (PMA) collateral requirement due to the fact that this event was not reflective of expected market activity and that all other Market Participants satisfied their collateral obligations, with one small exception.
- Coscia further explained that the recent Performance Assessment Interval (PAI) would result in approximately 200 Market Participants being assessed a Non-Performance Charge as a result of generator non-performance. Coscia reviewed the unreasonable credit risk determination under which some Market Participants could be required to post collateral to secure their Non-Performance Charge obligations and the associated outreach to Market Participants. Coscia further explained that PJM was not planning on assessing a PMA collateral requirement for the Non-Performance Charge as so doing could effectively require the impacted Market Participants to come up with double the amount of the penalty. Coscia communicated concerns regarding the liquidity of impacted Market Participants, the short collection period and the time of year and the associated impacts on Market Participants' ability to pay the PAI charges.
- Manu Asthana explained the objectives that PJM is trying to balance: maximizing the probability of Non-Performance charges, continued operation of needed units and avoiding market disruption. Asthana informed the board of the risk of non-payment of a portion of the PAI penalties.

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Upon a motion duly made and seconded, the Board approved the proposed Section 205 filing to revise the Tariff penalty payment to allow PJM to extend the time that a Market Participant will be permitted to pay Non-Performance Charges for up to six months beyond the end of a Delivery Year.

At approximately 6:47 p.m., the meeting adjourned.

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