



Notice of Consultation with the PJM Members  
Committee pursuant to Tariff, section 9.2(b) and  
Transmission Owners pursuant to CTOA, section  
7.5.1(ii)  
Proposed Revisions to Billing Provisions for  
Non-Performance Charges

- As discussed at the January 24, 2023 Risk Management Committee, PJM is considering a revision to Tariff, Attachment DD, section 10A(j), which will alleviate the liquidity concerns for Capacity Market Sellers to pay Non-Performance Charges
- Currently, the billing of Non-Performance Charges is limited to dividing the charges in the remaining months of the Delivery Year following the determination of the charges.
  - This means Non-Performance Charges from the December 2022 PAI event would be divided in three monthly bills (March, April, May)
- PJM proposes to amend the Tariff so that up to six additional monthly bills may be added to the billing schedule if less than six months remain in the Delivery Year following the determination of Non-Performance Charges.

- Proposal will mitigate risks of Capacity Market Seller defaults and provide additional opportunities to collect Non-Performance Charges
  - Reduces risk of Member defaults, which ultimately decreases the reliability risk if resources can no longer be relied upon as capacity for the remainder of the Delivery Year
  - Correspondingly increases the pool of Bonus Payments for Capacity Market Sellers that over performed during the Performance Assessment Interval

- (j) The Office of the Interconnection shall bill charges and credits for performance during Performance Assessment Intervals within three calendar months after the calendar month that included such Performance Assessment Intervals, provided, for any Non-Performance Charge, the amount shall be divided by the number of months remaining in the Delivery Year for which no invoice has been issued, and the resulting amount shall be invoiced each such remaining month in the Delivery Year. Notwithstanding, or during the first month of the next Delivery Year if three there are less than six months do not remaining in the current Delivery Year for which no invoice has been issued, the Office of the Interconnection may, with prior notice to PJM Members, allocate in equal amounts any Non-Performance Charge in the remaining monthly bills for the current Delivery Year plus up to six monthly bills into the following Delivery Year.