

15.1.5 Default Notification and Remedy

If a Member or Participant has not remedied a breach, as described in section 15.1.4 above, by 4:00 p.m. Eastern Prevailing Time on the first Business Day following PJM's or PJMSettlement's issuance of a written notice of breach or Collateral Call, the notice of which is issued before 1:00 p.m. Eastern Prevailing Time, or by 4:00 p.m. Eastern Prevailing Time on the second Business Day following PJM's or PJMSettlement's issuance to the Member or Participant of a written notice of breach or Collateral Call, the notice of which is issued at or after 1:00 p.m. Eastern Prevailing Time, or receipt of the PJM Board's decision on review, if applicable, then the Member or Participant shall be in default and, in addition to such other remedies as may be available to PJM or PJMSettlement:

- i) A defaulting Market Participant may shall be precluded from buying or selling in any market operated by PJM until the default is remedied as set forth above;
- ii) A defaulting Member shall not be entitled to participate in the activities of any committee or other body established by the Members Committee or PJM; and
- iii) A defaulting Member shall not be entitled to vote on the Members Committee or any other committee or other body established pursuant to this Agreement.
- iv) PJM shall notify all other Members of the default.
- v) The Financial Transmission Rights positions of a Member in default shall be addressed as provided in Operating Agreement, Schedule 1, section 7.3.9 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.3.9.
- vi) PJM may permit a defaulting Market Participant to continue to participate in PJM Markets in a limited manner: (a) in support of grid reliability, (b) when such Market Participant is a net market seller, (c) when such Market Participant has the ability to post collateral, or (d) to enable certain customers to continue to receive service prior to PJM receiving regulatory and or legal approval to terminate.