

Risk Management Committee

MISSION

The Risk Management Committee's (RMC) responsibility is to discuss and recommend courses of action to address credit and risk management issues pursuant to PJM's responsibilities as set forth in the PJM Tariff and PJM Operating Agreement. The Risk Management Committee does not manage, govern or otherwise set policy for PJM.

RESPONSIBILITIES

1. Consider and recommend changes to the PJM governing documents and Manuals on credit and associated risk management principles and consider existing and new situations as they arise.
2. Provide credit and associated risk management expertise to the PJM stakeholder process.
3. Consider matters relating to the financial and market-driven risk exposures faced by PJM Members and the management of those risks.
4. Coordination between the RMC and other Standing Committees shall be as follows:
 - a. To the extent a proposal being developed in response to an issue raised at the RMC also has impacts on market, planning or operation rules, the RMC chair will ensure that timely informational reports are provided to the relevant Standing Committee for awareness and/or input into such market, planning or operation rules.
 - b. To the extent it becomes clear that such rule development requires more direct involvement from one of the other Standing Committees, the RMC chair shall coordinate with the chair of the other Standing Committee to allow that Standing Committee to address any relevant aspect(s) and that Standing Committee will coordinate with the RMC chair to ensure timely information reports are provided to the RMC for awareness or input into the credit or risk management rules.

ADMINISTRATION

1. The RMC is a Standing Committee that reports to the Markets and Reliability Committee.
2. The RMC will be scheduled to meet monthly. RMC meetings will be noticed on the PJM Calendar, have agendas posted no less than seven calendar days prior to each meeting, and will be documented via meeting minutes.
3. Voting at the RMC shall be conducted in accordance with PJM Manual 34 (or any successor document) governing the voting of a Standing Committee.
4. All PJM stakeholders may appoint representatives to the RMC. The RMC should comprise representatives with responsibility for credit and risk functions within their organization so they can fulfil the responsibilities noted above to provide credit and associated risk management expertise to the PJM stakeholder process.
5. No confidentiality agreement is required to be signed by RMC representatives.
6. The RMC is chaired by a PJM representative.

Approved by the Members Committee at its December 17, 2020 meeting.