



Enhanced Know Your Customer (KYC)

Special Risk Management Committee
August 5, 2024

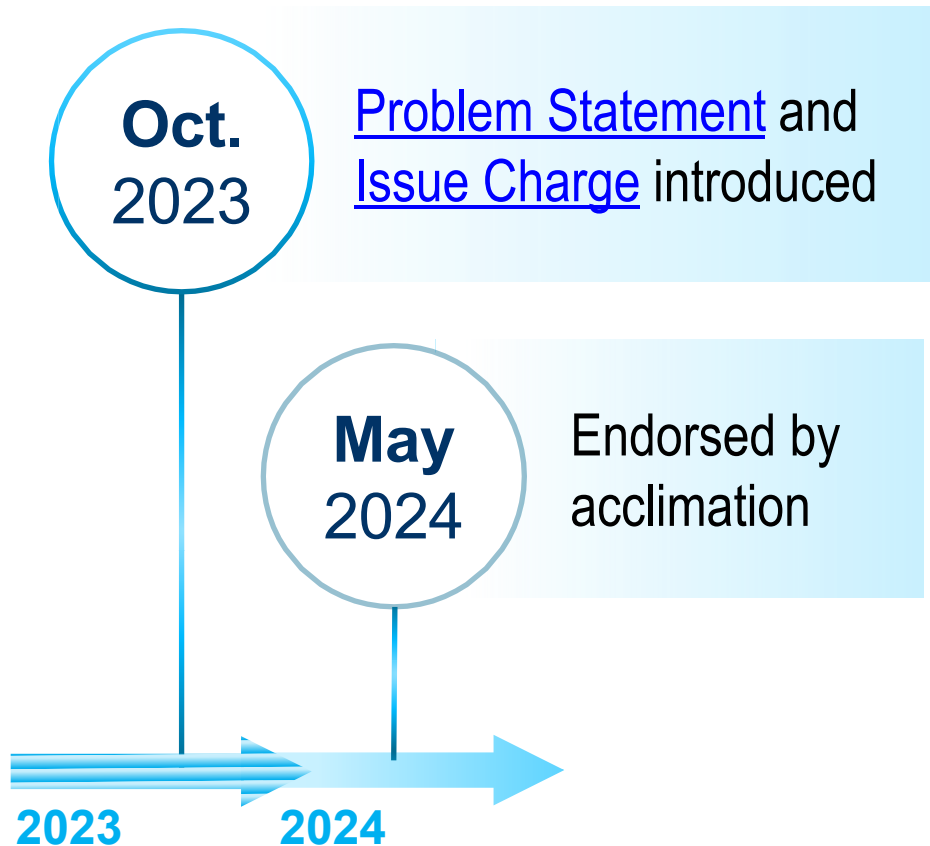
Monica Burkett, Manager,
Membership Process & Services

Chad Wineland, Manager,
KYC Risk Management

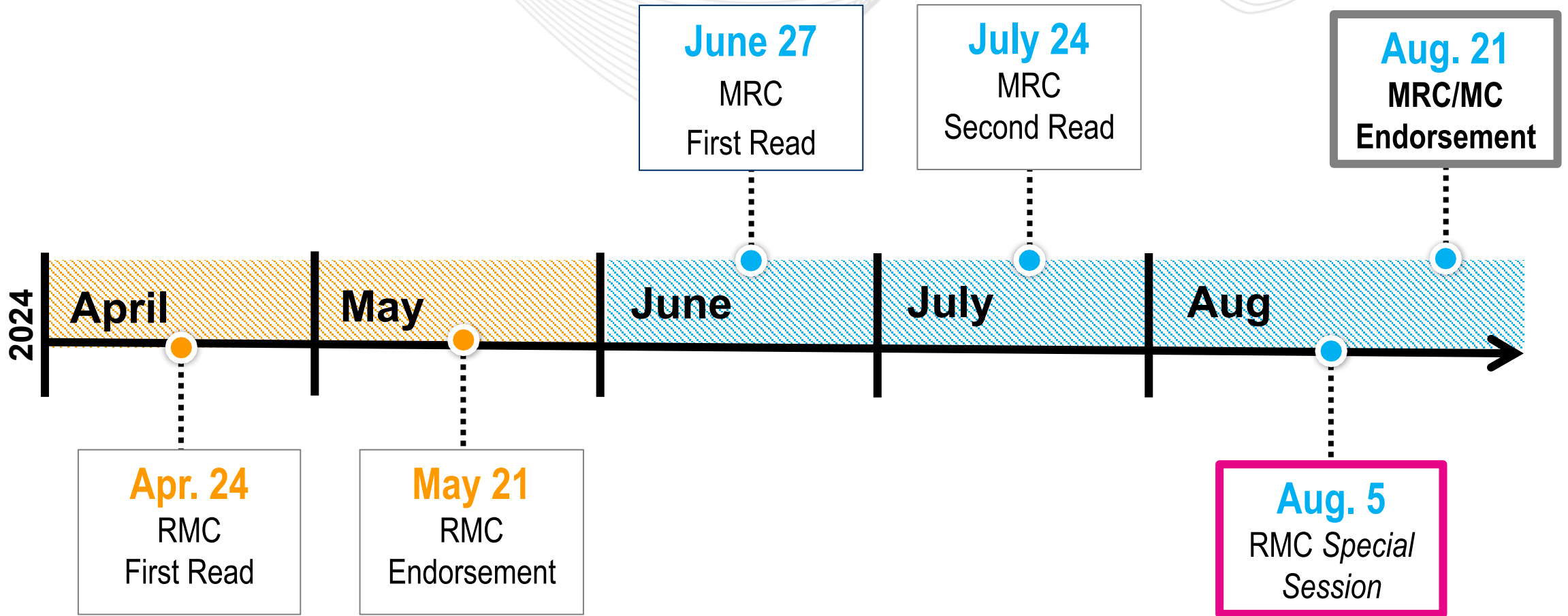
Eric Scherling, Assistant General
Counsel – Office of General
Counsel

Anita Patel, Sr. Manager, FERC
760 Support

Enhanced KYC Solution Package



- **KYC first implemented** in June 2020 as a result of the Financial Risk Mitigation Senior Task Force (FRMSTF).
- Scope of current effort focused on reevaluating and expanding the current definition of Principal.
- Discussion and inclusion of industry standards and best practices



FERC Filing After MC Endorsement

Three Design Components – *Two Separate Areas of Focus*

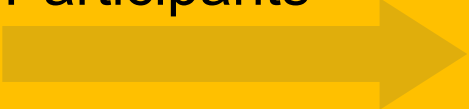

Principal Definition

- Principal definition roles – Inclusion of, and defining Beneficial Owner, clarifying current Principal roles as needed
- Beneficial Owner will be an additional Principal role.

Conducting KYC Procedures

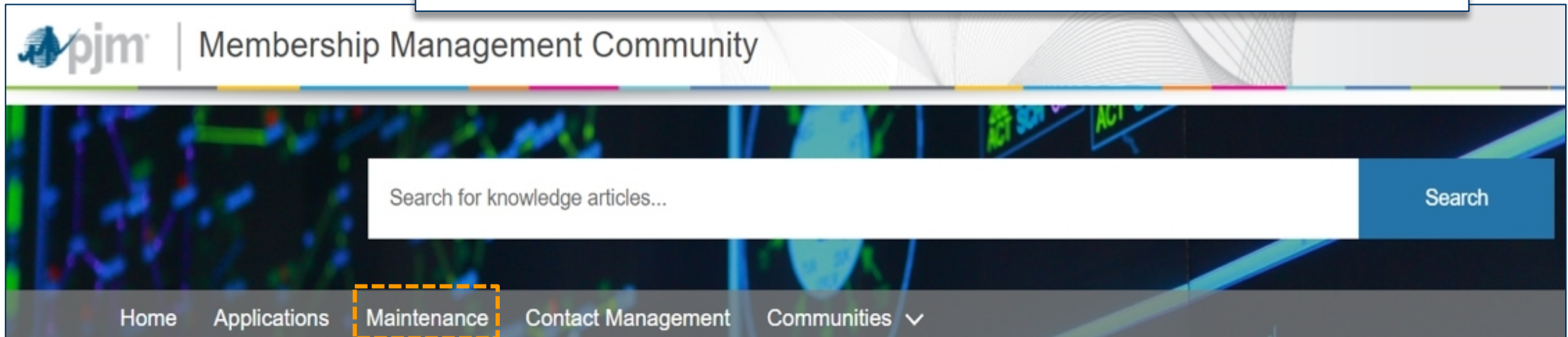
- Who will PJM be conducting KYC background check procedures on?

Process Overview

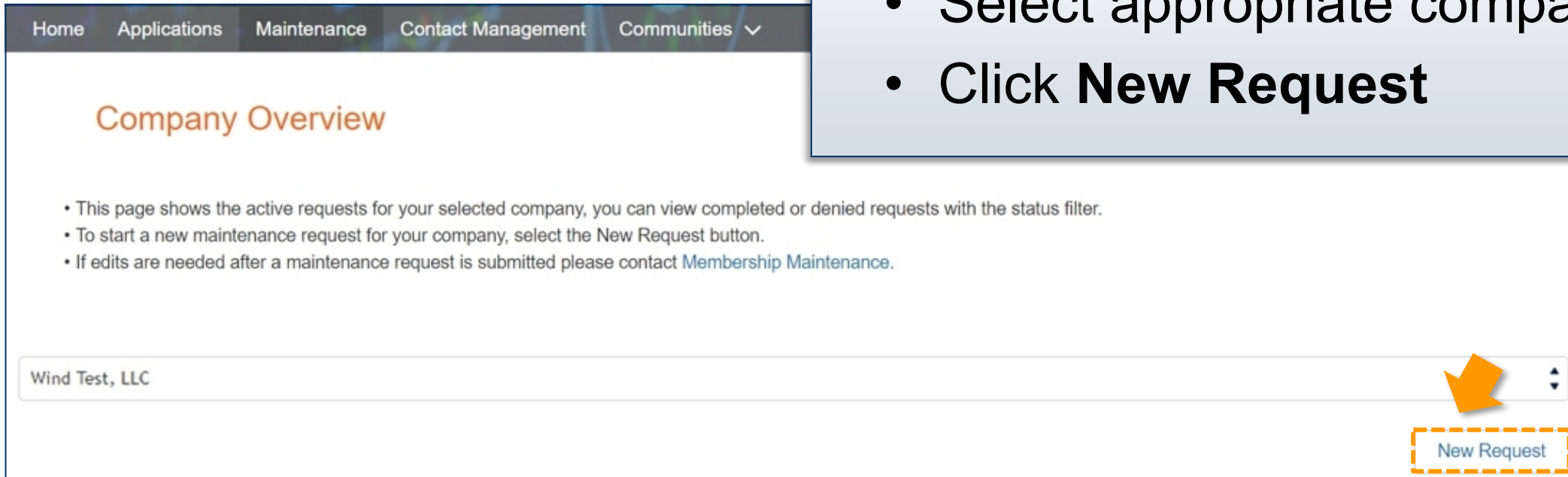
WHO	WHAT	WHEN
<p>Non-Publicly Traded Market Participants</p> 	<p>3 pieces of information</p> <ul style="list-style-type: none"> ▪ Principals’ names (as defined, this includes board members and Beneficial Owners) ▪ Beneficial Owner percentages ▪ Government Issued IDs (for all Principals except board members) 	<p>July 30 – Sept. 9, 2024</p>
<p>Publicly Traded, Municipal, Cooperative & Joint Action Agency Market Participants</p> 	<p>2 pieces of information</p> <ul style="list-style-type: none"> ▪ Principals’ names (as defined, this includes board members and Beneficial Owners) ▪ Beneficial Owner percentages 	<p>During Annual Recertification, <i>which opens in early Jan. 2025</i></p>

For Principals for whom PJM is not systematically seeking IDs, PJM may ask for IDs on a case-by-case basis for verification purposes.

- [Membership Management Community](#)
- Use Single Sign-On credential to log in
- Select Maintenance in top navigation



- Access to multiple companies
- Select appropriate company
- Click **New Request**



The screenshot shows the PJM web application interface. At the top is a navigation bar with links for Home, Applications, Maintenance, Contact Management, and Communities. Below the navigation bar is the 'Company Overview' section. It contains a list of instructions: 'This page shows the active requests for your selected company, you can view completed or denied requests with the status filter.', 'To start a new maintenance request for your company, select the New Request button.', and 'If edits are needed after a maintenance request is submitted please contact Membership Maintenance.' Below the text is a dropdown menu currently showing 'Wind Test, LLC'. An orange arrow points to the dropdown arrow icon. Below the dropdown is a button labeled 'New Request' which is highlighted with a dashed orange border.

<p>Company Account Manager Get Started</p> <p>Designate or remove an individual from the role of CAM.</p>	<p>Affiliate Disclosure Get Started</p> <p>Request updates to Member and non-member affiliates.</p>	<p>Company Name Change Get Started</p> <p>Request a corporate name change.</p>
<p>Company Withdraw Get Started</p> <p>Initiate the request to withdraw from PJM membership.</p>	<p>Change Voting Member Get Started</p> <p>Request a change to your Voting Member.</p>	<p>Manage Sub Accounts Get Started</p> <p>Request to add or remove Sub Account.</p>
<p>Contact Management Get Started</p> <p>Request to add or remove a Contact Manager(s).</p>	<p>Market Participant Get Started</p> <p>Initiate a Market Participant Application if changing participation in the PJM Markets.</p>	<p>Principal Get Started</p> <p>Request to add or remove a Principal(s).</p>
<p>Information Form Get Started</p> <p>Request to update company corporate information</p>	<p>Registration Certification Form Get Started</p>	<p>Full Responsibility DOA Get Started</p> <p>Request to create Full Responsibility Declaration of Authority.</p>

- Click **Get Started** for Principal feature
- [Principals User Guide](#)



Principal Review for Non-Publicly Traded MPs

Principals

Please enter information for **all Principals** for your company per PJM Tariff, Attachment Q, sections II.A.7 and II.E.7.

Have the information below available when adding Principals:

- Date of Birth
- Government Issued ID

[Principal Type Definitions](#)

First Name	Last Name	Date of Birth	Principal Type
Finola	Shay	03.01.1979	<ul style="list-style-type: none"> The natural person who Controls the financial and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title). The natural person who Controls the Participant's management of commodity and derivatives market risks, which shall include a chief risk officer (or equivalent position regardless of title). The natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title).

***Select Principal Type(s)**

All natural persons who Control Corporate Level Strategy for the Participant, which shall include a chief executive officer, managing member (or equivalent positions regardless of title) and members of a board of directors or board of managers.

The chief legal officer or general counsel (or equivalent position regardless of title).

The natural person who Controls the financial affairs and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title).

The natural person who Controls the Participant's management of commodity and derivatives market risks, which shall include a chief risk officer (or equivalent position regardless of title).

The natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title).

All Beneficial Owners.

***Please confirm the role for the first Principal Type.**

Board of Directors Only

Chief Executive or Managing Member Only

Chief Executive or Managing Member and Board of Director

***Please upload Government issued IDs.**

Or drop files

Accepted file types: png,gif,jpeg,pdf. Max No. of files to be uploaded is 10

For Chief Executive or Managing Member Only and Chief Executive or Managing Member and Board of Directors, please upload Government Issued IDs.

Note: Uploading Government Issued IDs will be required for **ALL** Principals except those who are **only** on the Board of Directors.

***Select Principal Type(s)**

All natural persons who Control Corporate Level Strategy for the Participant, which shall include a chief executive officer, managing member (or equivalent positions regardless of title) and members of a board of directors or board of managers.

The chief legal officer or general counsel (or equivalent position regardless of title).

The natural person who Controls the financial affairs and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title).

The natural person who Controls the Participant's management of commodity and derivatives market risks, which shall include a chief risk officer (or equivalent position regardless of title).

The natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title).

All Beneficial Owners.

***Please confirm the role for the first Principal Type.**

Board of Directors Only

Chief Executive or Managing Member Only

Chief Executive or Managing Member and Board of Director

When selecting the first Principal Type, more options are displayed to confirm the role of the Principal.

***Select Principal Type(s)**

All natural persons who Control Corporate Level Strategy for the Participant, which shall include a chief executive officer, managing member (or equivalent positions regardless of title) and members of a board of directors or board of managers.

The chief legal officer or general counsel (or equivalent position regardless of title).

The natural person who Controls the financial affairs and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title).

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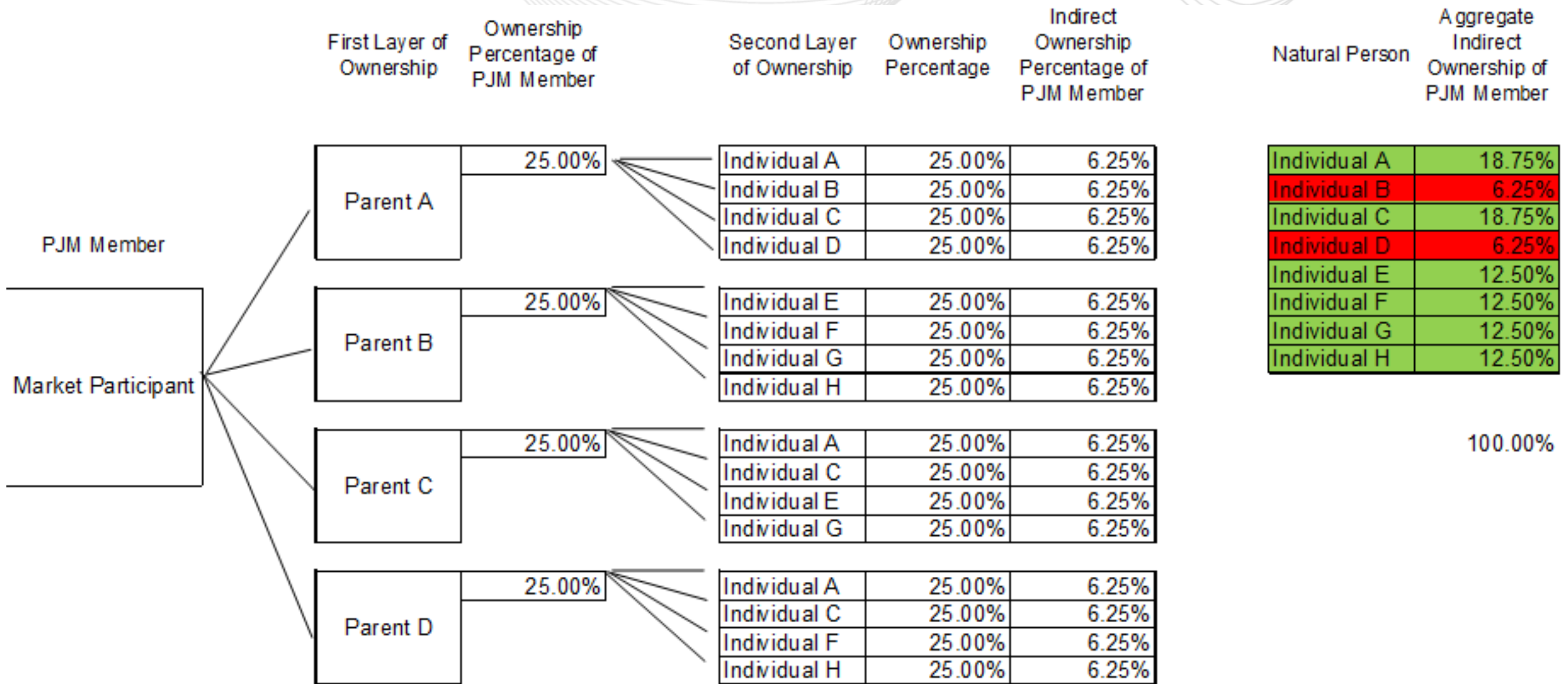
The natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title).

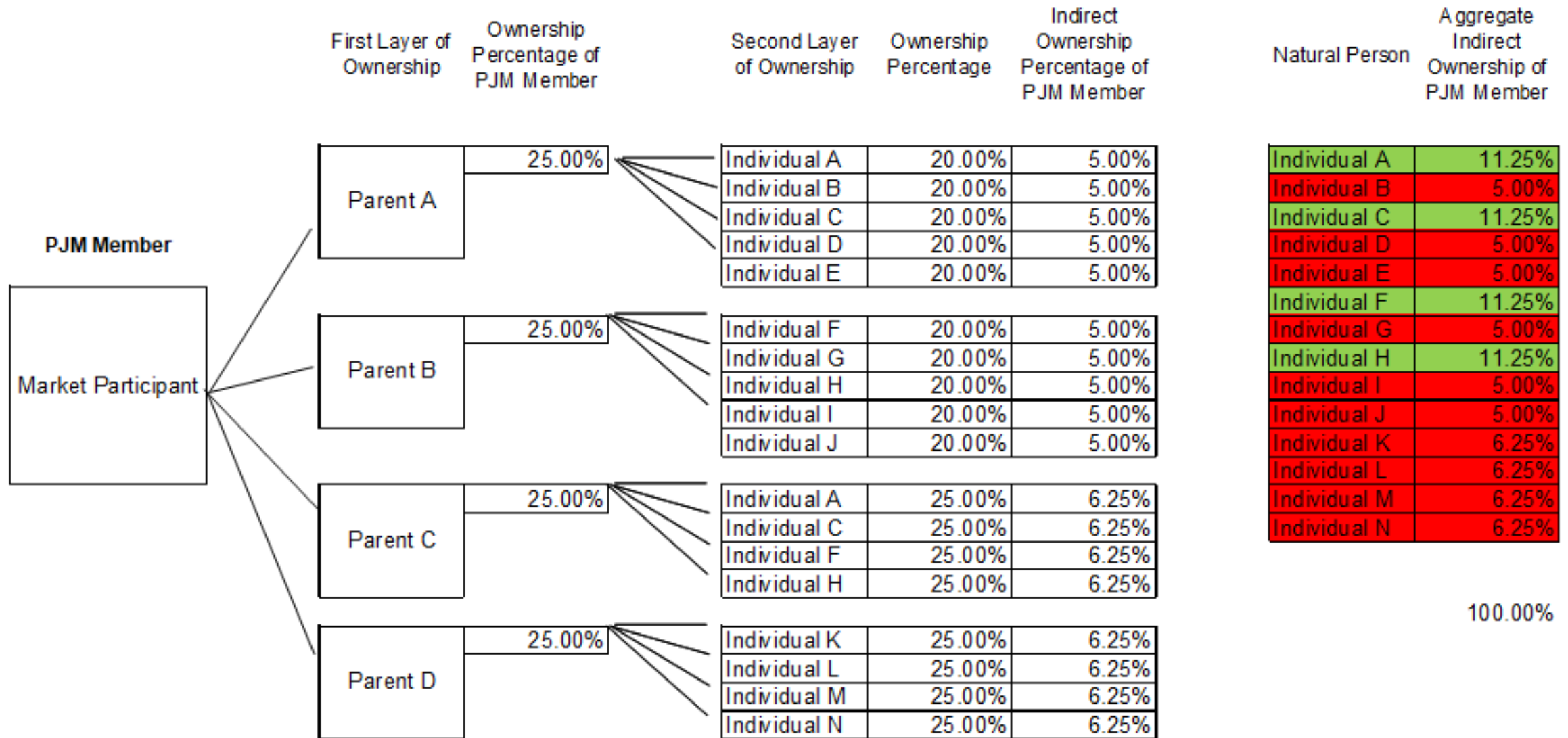
All Beneficial Owners.

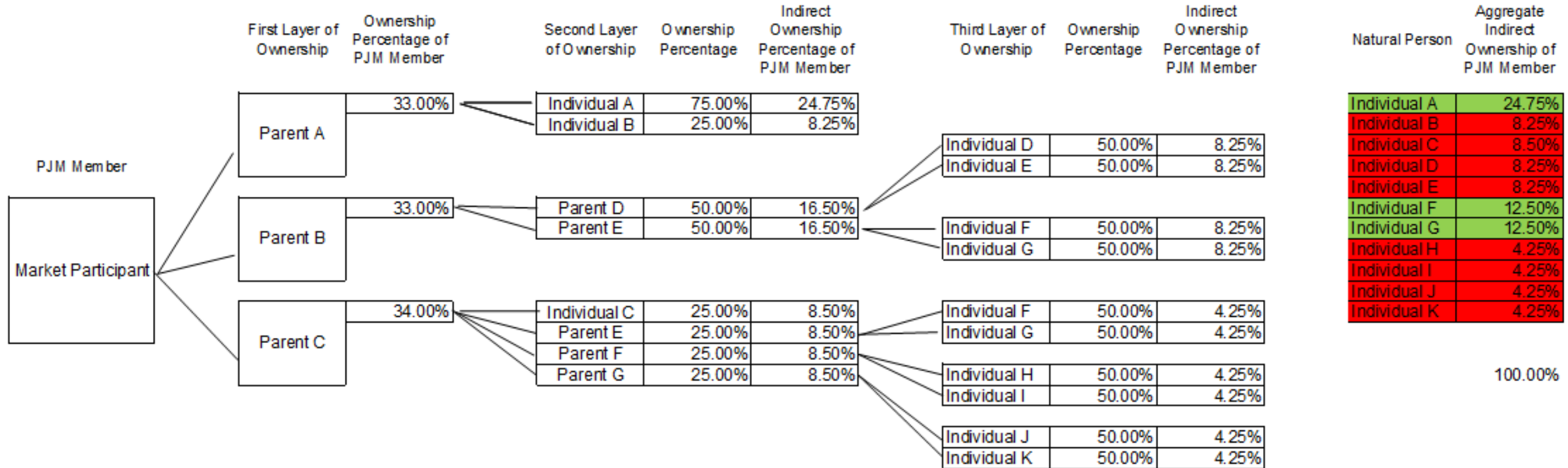
***% of ownership**

3.00%

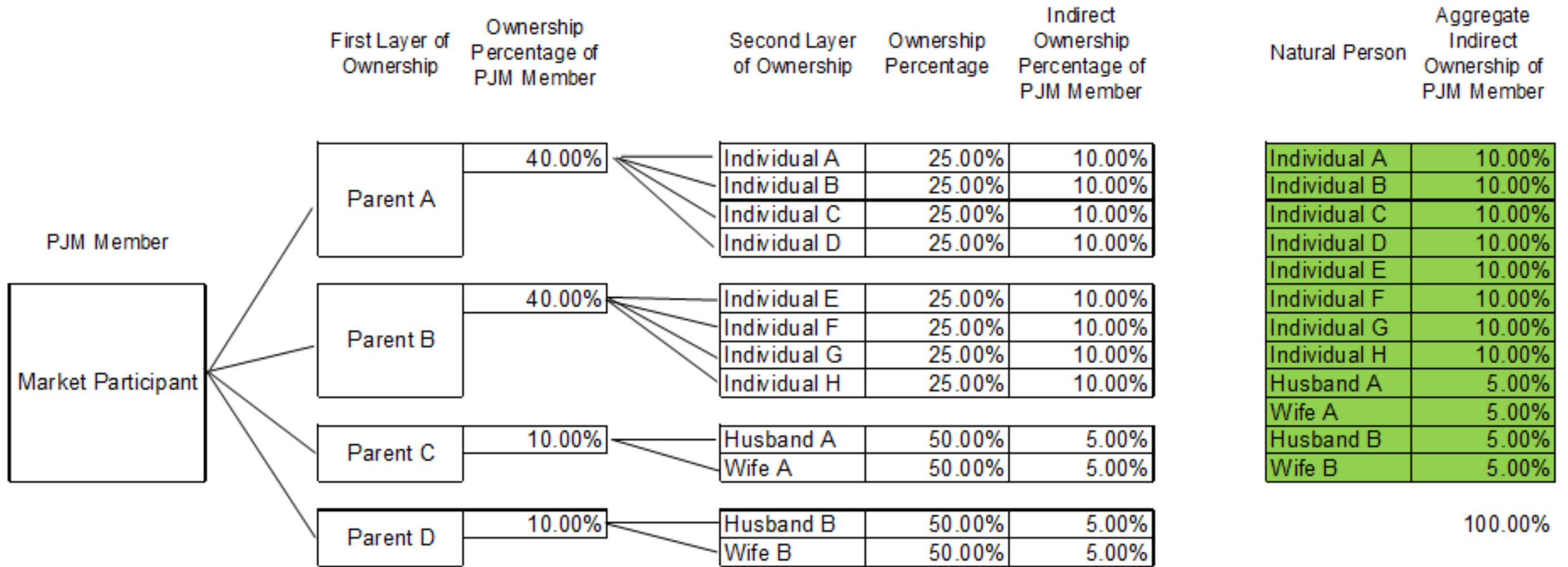
Disclose further information regarding the Beneficial Owner.







Beneficial Ownership Example 4 (With Family Members)



- [PJM Security](#) – technical reference for general security methods for PJM tools posted on pjm.com
- **Membership Management Community**
 - Fully enabled standard security features used when submitting requests and logging into the application
 - All files submitted anywhere in the community as well as PII data fields have an extra layer of security due to the sensitive nature of the information, data is encrypted at rest and transit using PJM's key management system.

1	2	3
<ul style="list-style-type: none"> PJM asking for very limited additional information to support KYC due diligence on Market Participants (MPs) ultimately to protect the membership at large 	<ul style="list-style-type: none"> PJM is seeking information from a set of non-publicly traded MPs now through September 9: <ul style="list-style-type: none"> Names of Principals Beneficial Owner percentages Gov't issued IDs (not from board members) 	<ul style="list-style-type: none"> PJM next will seek information from publicly traded, municipal, cooperative and joint action agency MPs during annual recertification starting in January, 2025: <ul style="list-style-type: none"> Names of Principals Beneficial Owner percentages

Principals include Beneficial Owners and Board Members as defined in the proposed [Tariff language](#)

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Enhanced KYC



Member Hotline

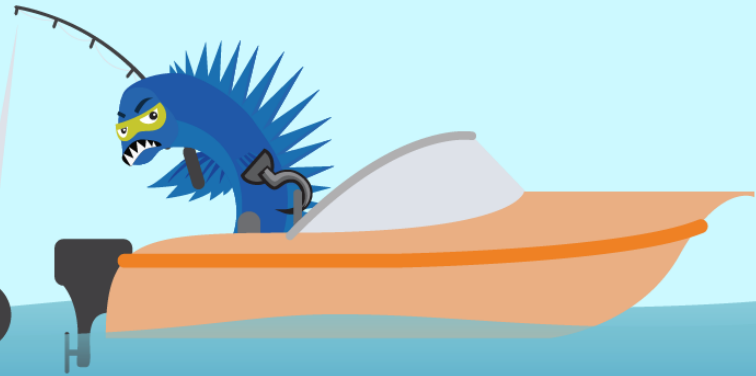
(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

**PROTECT THE
POWER GRID**

**THINK BEFORE
YOU CLICK!**



**BE ALERT TO
MALICIOUS PHISHING
EMAILS**



**Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com**