




# PJM - Know Your Customer Procedures Sector Selection Process

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- June 1 Tariff Changes – PJM Market Participant Risk Evaluation Enhancements
  - Membership application enhancements including background checks
  - Evaluation of Market Participant intended activity
  - Additional credit and risk due diligence procedures
  - Extended time required for application processing



Membership Application Enhancements



Evaluation of Market Participant



Credit and Risk Due Diligence Procedures



Evolving Processes and Enhancements

Extended time required for application processing

Data gathered informs Membership, Credit & Risk Procedures

## *New Applicants*

- Enhanced procedures for validation of Sector Selection
  - Expanding of Sector Selection questions – *pending*
  - Review and validation process utilizing data submitted
  - Consult with applicants as needed
  - Confirmation of adherence to OA Sector Definitions

## *Annual Review*

- Enhanced procedures for annual Sector Selection process
  - Adjustment to annual review time period
  - Collection of additional data for all sector changes
  - Consult with members on changes as needed
  - Tiered review and approval process for all sector changes

- PJM continues to enhance KYC procedures which includes review of current Member data
- As needed, PJM may consult with Members as part of these ongoing enhancements
- Sector Designation and Challenge Process detailed in OA, Section 8.1