

Credit Risk Management Subcommittee

CHARTER

MISSION

The Credit Risk Management Subcommittee's (CRMCS) 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 credit policy to mitigate the risk of socialized default charges to PJM members, using commercially reasonable practices PJM governing documents and Manuals on credit and associated risk management principles and considering existing and new situations as they arise.
2. Provide credit and associated risk management expertise to the PJM stakeholder process as PJM considers changes to, and continues to evolve, its internal procedures for evaluating and reporting the risk of socialized default to which members are exposed.
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.

ADMINISTRATIVE

1. The CRMCS is a Standing Committee that reports to the Markets and Reliability Implementation Committee of PJM to which the CS will report on discussions and recommendations.
2. The CRMCS will meet as needed to address issues raised, and no less often than on a quarterly basis either by PJM staff or by PJM stakeholders.

3. ~~ERMCS~~ meetings will be noticed on the PJM ~~Calendar~~~~Meeting Advisor~~, have agendas posted no less than ~~seven calendar~~~~three-business~~ days prior to each meeting, and will be documented via meeting minutes.

~~3.4.~~ 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.~~ ~~CS representatives may be self-nominated by any PJM member.~~ 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 ~~ERMCS~~ representatives.

6. The ~~ERMCS~~ is chaired by a PJM representative.

Approved by the Markets ~~and Reliability Implementation~~ Committee at its ~~January 12, 2010~~ [~~XX~~Month ~~XX~~Day], 2020 meeting.