

## Central Counterparty Tariff and Operating Agreement Revisions

The central counterparty clarification proposed Tariff and Operating Agreement changes are provided in 6 separate documents. These six documents listed below. PJM directs the members in particular, to the most significant revisions, as identified below.

- **Operating Agreement (other than Schedule 1)**
  - New definitions for Counterparty (§ 1.7.01a); PJMSettlement (§ 1.35C)
  - New § 3.3 regarding the Counterparty
  - Revisions to the Billing procedures in § 14B to incorporate PJMSettlement
- **Part I, II, III and relevant Schedules of the Tariff**
  - New definitions for Counterparty (§ 1.6D); PJMSettlement (§ 1.32F.01)
  - New § 6A regarding the Counterparty (similar to §3.3 of OA)
  - Revisions to the Billing procedures in § 7 to incorporate PJMSettlement
  - Revisions to clarify PJMSettlement is the counterparty to ancillary services transactions (§3, various Schedules)
  - Revisions to clarify PJMSettlement is the counterparty to transmission services (preambles Part II and Part III)
- **Attachment Q – Credit Policy**
  - PJMSettlement Credit Policy
- **Attachment K and Appendix to Attachment K**
  - New section D in Attachment K describing Transmission Service Components
  - New § 1.6A in the Appendix to Attachment K describing PJMSettlement’s scope of services
  - New sections clarifying bilateral transactions for regulation, synchronized reserve, and day-ahead scheduling reserves (§ 1.7.19B); Financial Transmission Rights (§ 5.2.2(d)); Auction Revenue Rights (§ 7.4.2a). These are similar to IBT provisions previously added to the energy market.
  - Clarification that PJMSettlement is the counterparty pursuant to purchases and sales of FTRs arising from auction (§§ 7.1, 7.1A, 7.3.1)
  - New § 7.11 clarifying PJMSettlement as the counterparty to the contractual rights and obligations of ARRs and FTRs
- **Attachment DD – RPM**
  - New § 3.4 describing the Counterparty – with corresponding revisions in the sections regarding the auctions
  - New § 4.6 regarding Bilateral Capacity Transactions
- **Form Agreement Attachments A-1, B, F, F-1 to Tariff**