

Market Participant Minimum Capitalization

Ryan Jones
Senior Manager Underwriting
Risk Management Committee
May 20, 2025

High-Level Comparison of Minimum Capitalization Proposals

Market Participants:

	Status Quo TNW \$1MM or TA \$10MM (FTR) TNW \$500,000 or TA \$5MM (Other)	Proposed Solution #1 TNW \$2MM or \$10MM TA (FTR) TNW \$1.5MM or \$5MM (Other) TNW > 0	Proposed Solution #2 TNW \$2MM + \$1MM Per MKT or TA \$10MM (FTR) TNW \$1MM per MKt or TA \$5MM (Other) TNW > 0	Proposed Solution #3 TNW \$1MM or TA \$10MM for all MP's TNW > 0
Meets	734	665	675	682
Does not meet	*50	119	109	102
%	6%	15%	15%	15%

**Updated from previously presented status quo numbers to reflect receipt of additional FY 2023 financial statements and to utilize consistent data set across all proposals*

- Large increase in MPs not meeting requirements from status quo to proposed solution 1, 2, and 3 due to stipulation that TNW must be > 0.
- Proposed Solution 1, 2, and 3 result in virtually same number of MP's not meeting requirement.

Comparison of Minimum Capitalization Proposals

Market Participants:

	Status Quo TNW \$1M or TA \$10M (FTR) TNW \$0.5M or TA \$5M (Other)		Proposed Solution #1 TNW \$2M or \$10M TA (FTR) TNW \$1.5M or \$5M (Other) TNW > 0		Proposed Solution #2 TNW \$2M + \$1M Per MKT or TA \$10 M (FTR) TNW \$1M per Mkt or TA \$5M (Other) TNW >0		Proposed Solution #3 TNW \$1M or TA \$10M for all MP's TNW >\$0	
	Meets	Doesn't Meet	Meets	Doesn't Meet	Meets	Doesn't Meet	Meets	Doesn't Meet
Generation Owner/Transmission Owner	336	22	325	33	320	38	324	34
Load Serving Entity	90	11	75	26	76	25	78	23
Curtailment Service Provider	19	9	11	17	12	16	12	16
Financial Trader	120	5	104	21	112	13	115	10
Power Marketer	123	3	108	18	109	17	111	15
Other	46	0	42	4	41	5	42	4
Total	734	50	665	119	675	109	682	102

Comparison of Minimum Capitalization Proposals

Market Participants:

	Status Quo			Proposed Solution #1			Proposed Solution #2			Proposed Solution #3		
	TNW \$1M or TA \$10M (FTR) TNW \$0.5M or TA \$5M (Other)			TNW \$2M or \$10M TA (FTR) TNW \$1.5M or \$5M (Other) TNW > 0			TNW \$2M + \$1M Per MKT or TA \$10 M (FTR) TNW \$1M per Mkt or TA \$5M (Other) TNW >0			TNW \$1M or TA \$10M for all MP's TNW >\$0		
	Avg. Years Member	Avg. Monthly Rev./Bill (MM)	Avg. TNW	Avg. Years Member	Avg. Monthly Rev./Bill (MM)	Avg. TNW	Avg. Years Member	Avg. Monthly Rev./Bill (MM)	Avg. TNW	Avg. Years Member	Avg. Monthly Rev./Bill (MM)	Avg. TNW
Generation Owner/Transmission Owner	10	\$0.5	(\$87k)	11	\$2	(\$300MM)	11	\$2	(\$300MM)	11	\$1	(\$299MM)
Load Serving Entity	9	(\$0.3)	(\$11MM)	9	(\$0.8)	(\$8MM)	9	(\$0.7)	(\$9MM)	9	(\$0.8)	(\$7MM)
Curtailment Service Provider	9	\$0.03	(\$2MM)	10	\$1	(\$12MM)	10	\$1	(\$13MM)	10	\$1	(\$13MM)
Financial Trader	4	(\$0.04)	(\$2MM)	6	\$0.04	\$556k	9	\$0.06	\$50k	9	\$0.01	(\$103k)
Power Marketer	13	(\$4)	\$160k	12	(\$2)	(\$102MM)	12	(\$2)	(\$109MM)	12	(\$0.4)	(\$156MM)
Other	N/A	N/A	N/A	19	(\$2)	(\$19MM)	19	(\$0.8)	(\$15MM)	17	(\$0.01)	\$744k

- Numbers are reflective of MP's that do not meet min cap requirement
- Revenue reflects avg monthly bill over last 5 years for each MP
- Positive number reflects revenue received from PJM
- Negative number reflects MP pays PJM

Facilitator:
Susan McGill,
Susan.McGill@pjm.com

Secretary:
Julia Spatafore,
Julia.Spatafore@pjm.com

SME:
Ryan Jones, Ryan.Jones@pjm.com

Market Participant Minimum Capitalization



Member Hotline

(610) 666 – 8980

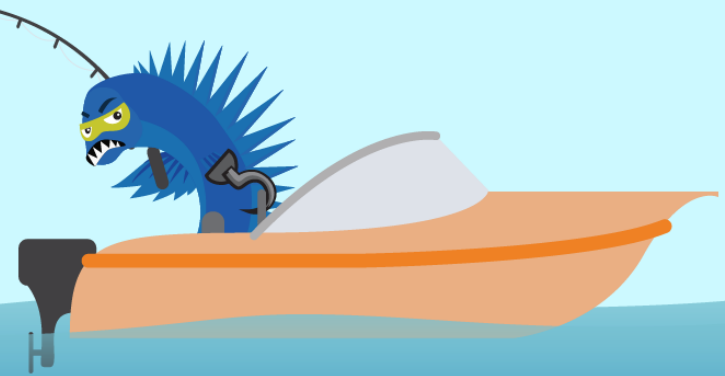
(866) 400 – 8980

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