Visibility Into Load Auction Awards & Changing Credit Profiles

James Waweru, Director – Trade Risk & Analytics

Risk Management Committee
August 18, 2026

Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.

Gaining Earlier Visibility Into Load Auction Awards

Load auctions often determine future load-serving obligations months before delivery begins, yet PJM may not receive official information regarding awarded suppliers until the delivery month. We seek stakeholder perspectives on how this information gap can be reduced and what approaches could provide earlier visibility into material load growth to support credit assessment, more timely collateral planning and evaluation of changing Market Participant risk profiles.

Information Visibility Gap & Credit Requirement Changes

Observation:
Awards from load auctions create changes in Market Participants' load obligations that may significantly increase their credit requirements and weekly bills.

PJM Visibility Gap:
Though load auctions occur months before delivery periods, PJM becomes aware of the change in the supplier's load when the InSchedule entry is made via PJM Tools in the delivery month.

Market/Credit Risk:
PJM may be unaware of imminent increase to some Market Participants' exposures until it occurs in the delivery month.

Credit Requirement Changes:
Load growth may cause significant growth in credit requirements (TCE/PMA) that may strain liquidity.

PJM's receipt of information about changes in load assignments as soon as the auction concludes and awards are approved would enhance PJM's risk evaluation.

Timeline, Visibility Gap & Impact

Auction to Load Delivery
Timeline – Example

Auction opens: RFP in early March

Auction ends: 1–2 Days

Decision on results:

- Within two business days of auction ending
- Approval of awards

Winners execute Supplier Master Agreements: Within three business days of award decision

PJM Notified: In June when load is entered in Inschedule

Power Flows: June 1

Timing & Visibility

- Load auctions occur months before delivery periods leading to early load commitments by LSEs.
- PJM lacks timely visibility into load growth and shifts between suppliers because it receives this information only after schedules are updated and load starts to flow.

Impact on Credit Oversight

Market Participants' credit exposure and collateral calculations may change, as they were based on previous or estimated load data.

Bridging the Gap

Early submission of winning tranches as soon as auction closes and winners are informed would enhance PJM's risk evaluation and improve exposure projections.

Importance of Early Communication of Load Growth

Benefit of Early Load Change Communication

- Early notification of load growth and shifts allows PJM to proactively manage financial risks and changing credit profiles.
- Proactive reassessment of load and creditworthiness reduces likelihood of emergency collateral shortfall calls.

Risk

Delayed knowledge of awarded load obligations undermines PJM's ability to assess and manage credit exposure and financial risk particularly during peak seasons when prices are also spiking.

Member Advantages of Early Notice

- Market Participants gain clarity and time to arrange credit support, avoiding compressed timelines and liquidity stress.
- Benefits Members by mitigating default risk

Key Questions for Consideration

Reporting Requirement

- Should LSEs that win load auction (such as DSP, BGS, SOS, etc.) have an obligation to inform PJM as soon as results are approved?
- Should EDCs that run the auctions inform PJM of the winners' new load as soon as results are approved?

Timeline & Feasibility

- What is the earliest viable window, post-auction, that information about suppliers and new load can realistically be submitted to PJM?
- Are there any specific blockers that would prevent faster data submission to PJM?

Confidentiality & Market Sensitivity

Are there prohibitions around state auction results that would prevent sharing new load obligations with PJM as soon as load auctions are approved?

Contact

Presenter:
James Waweru,
James.Waweru@pjm.com

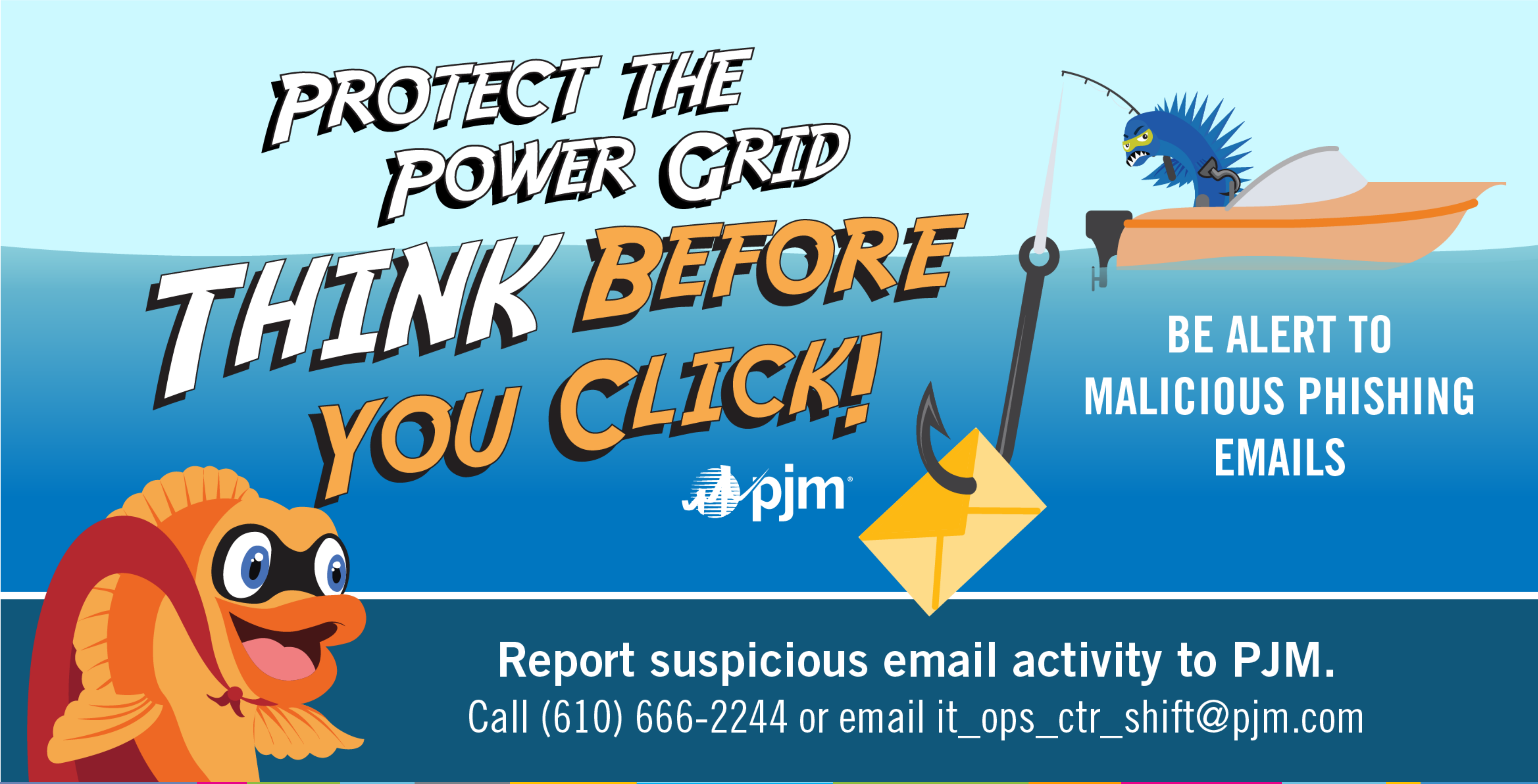
Visibility Into Load Auction Awards & Changing Credit Profiles

Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com


PROTECT THE POWER GRID
THINK BEFORE YOU CLICK!
pjm
BE ALERT TO MALICIOUS PHISHING EMAILS
Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com