

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Settlement, Inc.)
_____)

Docket No. ES26-____-000

**APPLICATION OF PJM SETTLEMENT, INC.
UNDER SECTION 204 OF THE FEDERAL POWER ACT FOR
AN ORDER AUTHORIZING (I) ISSUANCE OF GUARANTY AND (II) PROVISION OF
LINE OF CREDIT TO PJM INTERCONNECTION, L.L.C.**

PJM Settlement, Inc. (“PJM Settlement”), pursuant to Section 204 of the Federal Power Act (“FPA”), 16 U.S.C. § 824c, and Part 34 of the regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 34, respectfully requests a Commission order authorizing: (1) PJM Settlement to guaranty obligations of PJM Interconnection, L.L.C. (“PJM”) (the “PJM Settlement Guaranty”) in an amount not exceeding \$250 million (PJM’s total current available Commission-authorized borrowing capacity); and (2) PJM Settlement to provide a line of credit to PJM in an amount not exceeding the cash that PJM Settlement holds due to remittances from Market Participants¹ that PJM Settlement is not yet obligated to disburse, in an amount not to exceed \$250 million (the “PJM Settlement Line of Credit”).

PJM Settlement respectfully requests that the Commission issue an order approving this Application by May 22, 2026, with an effective date of May 25, 2026.

As shown in this filing, the proposed actions satisfy the standard of FPA section 204(a) and the Commission’s regulations. In addition, the Commission previously approved the PJM Settlement Guaranty and the PJM Settlement Line of Credit for a two-year authorization period that runs through May 24, 2026.² The narrow purposes of this filing are to: (1) further authorize

¹ Capitalized terms used and not otherwise defined herein have the meaning set forth in the PJM Open Access Transmission Tariff (“Tariff”) and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

² See *PJM Settlement, Inc.*, 187 FERC ¶ 62,115, at P 2 (2024).

the PJM Settlement Guaranty and the PJM Settlement Line of Credit for an additional two years, and (2) increase the authorized amount of the PJM Settlement Line of Credit from \$180 million to \$250 million. This increase of the PJM Settlement Line of Credit maximum is appropriate in light of the growth in PJM market activity and amount of remittances which are held by PJM Settlement as a result.

PJM Settlement requests all necessary waivers of the Commission's competitive bidding requirements set forth in section 34.2 of the Commission's regulations, 18 C.F.R. § 34.2, as more fully described below.

I. BACKGROUND

PJM is a Commission-approved Regional Transmission Organization ("RTO")³ responsible for market administration, transmission planning, system operations, and related functions across a multi-state footprint.

On May 5, 2010, PJM submitted certain revisions to the Tariff and Operating Agreement necessary to establish PJM Settlement, a newly formed entity, as counterparty to transactions in PJM's markets.⁴ Specifically, the revisions established PJM Settlement as the counterparty to Market Participants and customers for transmission, energy and ancillary services transactions, purchases and sales of capacity in the Reliability Pricing Model Auctions, purchases and sales of Financial Transmission Rights ("FTR") in FTR Auctions, and the contractual rights and obligations of holders of FTR and Auction Revenue Rights (collectively, "Pool Transactions").⁵ The Commission approved the creation of PJM Settlement, and since January 1, 2011, PJM

³ See *PJM Interconnection, L.L.C.*, 101 FERC ¶ 61,345 (2002).

⁴ See *PJM Interconnection, L.L.C.*, Initial Filing, Docket No. ER10-1196-000 (May 5, 2010).

⁵ See *id.* at 1-2, 5.

Settlement has functioned as the counterparty for the referenced transactions and has assumed certain billing, credit, and settlement functions previously performed by PJM.⁶

In anticipation of this arrangement, on November 1, 2010, PJM and PJM Settlement jointly filed an application for a Commission order authorizing: (1) the PJM Settlement Guaranty; (2) a line of credit provided by PJM to PJM Settlement not to exceed PJM's available capacity on its bank working capital line of credit (the "PJM Line of Credit"); and (3) the PJM Settlement Line of Credit.⁷ The Commission granted the authorizations requested by the applicants, and it has also approved changes in the PJM Settlement Guaranty to match changes in PJM's approved borrowing capacity.⁸

PJM Settlement has requested periodic reauthorizations of the PJM Settlement Guaranty and PJM Settlement Line of Credit, most recently on March 22, 2024 when PJM Settlement requested that the Commission authorize the ability of PJM Settlement to (1) guaranty obligations of PJM in an amount not to exceed \$220.6 million (the aforementioned PJM Settlement Guaranty); and (2) provide a line of credit to PJM in an amount not exceeding the cash that PJM Settlement holds due to remittances from Market Participants that PJM Settlement is not yet obligated to disburse up to \$180.0 million (the aforementioned PJM Settlement Line of Credit).⁹ The Commission granted each such request, with the most recent authorization approved on May 17, 2024 and effective from May 25, 2024 through May 24, 2026.¹⁰

⁶ See *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207, at P 1 (2010).

⁷ See *PJM Interconnection, L.L.C.*, Application of PJM Interconnection, L.L.C., and PJM Settlement, Inc. under Section 204 of the Federal Power Act for an Order Authorizing Issuances of Securities and Approving Guaranty, Docket No. ES11-8-000 (Nov. 1, 2010).

⁸ See, e.g., *PJM Interconnection, L.L.C.*, 134 FERC ¶ 61,153, at PP 10-12 (2011).

⁹ See *PJM Settlement, Inc.*, Application of PJM Settlement, Inc. under Section 204 of the Federal Power Act for an Order Authorizing (I) Issuance of Guaranty and (II) Provision of Line of Credit to PJM Interconnection, L.L.C., Docket No. ES24-25-000 (Mar. 22, 2024).

¹⁰ See *PJM Settlement, Inc.*, 187 FERC ¶ 62,115, at P 2 (2024).

PJM Settlement is requesting that the Commission issue an order on the Application that will authorize PJM Settlement the continued ability to: (1) guaranty obligations of PJM in an amount not exceeding PJM's borrowing capacity authorized and/or pending approval by the Commission, which is currently \$250 million¹¹ (the aforementioned PJM Settlement Guaranty); and (2) provide a line of credit to PJM in an amount not exceeding the cash that PJM Settlement holds due to remittances from Market Participants that PJM Settlement is not yet obligated to disburse in an amount not to exceed \$250 million (the aforementioned PJM Settlement Line of Credit). This increase of the PJM Settlement Line of Credit maximum from \$180 million to \$250 million is appropriate in light of the growth in PJM market activity and the amount of remittances which are held by PJM Settlement as a result.

II. SECTION 34.3 REQUIREMENTS

Pursuant to section 34.3 of the Commission's regulations, 18 C.F.R. § 34.3, PJM provides the following information:

A. *Official Name of Applicant and its Principal Business Address:*

PJM Settlement, Inc.
2750 Monroe Boulevard
Audubon, PA 19403-2497

¹¹ This reflects PJM's current Commission-authorized borrowing capacity. See *PJM Interconnection, L.L.C.*, 191 FERC ¶ 62,125 (2025) (approving \$250 million in borrowing authority).

B. *State of Incorporation, Date of Incorporation and States in which Applicant Operates:*

PJM Settlement is a nonprofit member organization formed on October 20, 2010 on a non-stock basis under the Pennsylvania Nonprofit Corporation Law of 1988.¹² PJM is PJM Settlement's Executive Member with all voting rights. As described above, PJM Settlement was formed to clarify the counterparty to transactions in PJM's markets, and serves as a counterparty to buyers and sellers in Pool Transactions that occur throughout the PJM Region which includes all or parts of Pennsylvania, New Jersey, Maryland, Delaware, Illinois, Indiana, Kentucky, Michigan, Tennessee, North Carolina, Virginia, West Virginia, Ohio, and the District of Columbia.

C. *The Name, Address and Telephone Number of the Persons Authorized to Receive Notices and Communications Regarding this Application:*

Eric Scherling
Secretary
PJM Settlement, Inc.
2750 Monroe Boulevard
Audubon, PA 19403
(267) 853-3494
eric.scherling@pjm.com

PJM Settlement also requests that notices and communications regarding this application also be sent to:

Stephen Lawson
President
PJM Settlement, Inc.
2750 Monroe Boulevard
Audubon, PA 19403-2497
(610) 666-4603
stephen.lawson@pjm.com

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
(202) 423-4743
craig.glazer@pjm.com

D. *Requested Action Date*

PJM Settlement respectfully requests that the Commission issue an order by no later than May 22, 2026, with an effective date of May 25, 2026. The requested effective date of May 25,

¹² Pennsylvania Nonprofit Corporation Law, Chapter 51, Pub. L. No. 1444, No. 177 (1988).

2026, immediately following the expiration of the current authorization on May 24, 2026, is intended to ensure continuous authority while maximizing the full two-year period permissible under FPA Section 204.

E. Description of the Securities Proposed to be Issued

1. Type and Nature of Securities

The PJM Settlement Guaranty is an unconditional guaranty by PJM Settlement of the financial obligations of PJM. The PJM Settlement Line of Credit is an unsecured, revolving line of credit arrangement extended by PJM Settlement to PJM.

2. Amount of Securities

The PJM Settlement Line of Credit is limited to the cash that PJM Settlement holds due to remittances from Market Participants that PJM Settlement is not yet obligated to disburse,¹³ which shall not exceed \$250 million. The PJM Settlement Guaranty shall not exceed PJM's borrowing capacity authorized and/or pending approval by the Commission, which is currently \$250 million.

3. Interest or Dividend Rate

Outstanding borrowings on the PJM Settlement Line of Credit will accrue interest based on the interest charged to PJM Settlement, under its bank working capital line of credit. If PJM Settlement does not have a bank working capital line of credit, outstanding borrowings on the PJM Settlement Line of Credit will accrue interest at the interest rate charged to PJM, the borrower, under its bank working capital line of credit.¹⁴ There is no interest or dividend rate applicable to the PJM Settlement Guaranty.

¹³ For example, Market Participants periodically prepay their billing obligations.

¹⁴ At this time, PJM Settlement has not established a bank working capital line of credit and, consequently, all advances made pursuant to the PJM Settlement Line of Credit have accrued interest at the interest rate charged to PJM under its current bank working capital line of credit with PNC Bank, N.A. ("PNC") (the "PNC Bank Line of Credit"). As set forth in the most recent Order approving PJM's bank working capital line of credit with PNC (the aforementioned PNC Bank Line of Credit), loan advances shall bear interest at either of two options, with PJM using the lowest cost option available for each advance: (1) "SOFR Option," which is 1, 3, or 6-month Secured Overnight Financing Rate (SOFR) plus (A) ten (10) basis point credit spread adjustment across all three interest periods, plus (B) up to one

4. *Dates of Issuance and Maturity*

The PJM Settlement Line of Credit was issued in December 2015 with a maturity date of December 31, 2021. The line of credit was most recently renewed on November 1, 2021 for an additional six years and is presently scheduled to mature on December 31, 2027. PJM Settlement expects to seek board authorization to extend or renew the PJM Settlement Line of Credit for an additional six-year term prior to its maturity, and any such extension or renewal would be subject to any required approvals under FPA Section 204. The PJM Settlement Guaranty was renewed November 1, 2021 and shall continue in force until the entire indebtedness covered by this guaranty is repaid in full by PJM.

5. *Institutional Rating of Securities*

The PJM Settlement Guaranty is not institutionally rated. The PJM Settlement Line of Credit is also not institutionally rated.

6. *Stock Exchange on Which Security Will be Listed*

Not applicable.

F. Purpose for Which the Securities are Issued

The PJM Settlement Line of Credit, working together with the PJM Line of Credit, facilitates the functioning of PJM Settlement as a counterparty in the PJM markets, as authorized by the Commission,¹⁵ without additional costs to PJM's customers. These instruments facilitate efficient cash flow management, permitting either entity to use cash that is available to the other entity, thereby avoiding any increases in costs to Market Participants that would arise from alternative third-party financing for short-term cash needs of the two companies. In other words,

hundred (100) basis points based on PJM's Moody's Investor's Service debt rating; or (2) "Base Rate Option," which is the highest of (A) the sum of the Federal Funds Rate for such day plus one-half of one percent (1/2 of 1%) per annum, (B) the rate of interest from time to time announced by the Agent in the United States as its Prime Rate and (C) Daily Simple SOFR in effect for such day plus one percent (1%) per annum.

¹⁵ See *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207 (2010).

the lines of credit enable the *status quo* to be maintained with respect to the interest expense associated with short-term borrowings for the combined companies and the availability of cash for working capital needs.

The PJM Settlement Guaranty (along with the PJM Guaranty,¹⁶ which does not require Commission approval here) facilitates maintaining an appropriate entity credit rating for both PJM and PJM Settlement. Fundamentally, the creditworthiness of PJM and PJM Settlement is based not on their assets and liabilities, but primarily on PJM Members' agreement to mutualize any PJM and PJM Settlement losses among themselves when there are defaults.¹⁷ This fundamental factor supporting PJM's and PJM Settlement's creditworthiness remains unchanged. Nonetheless, the mutual guaranties between PJM and PJM Settlement will further facilitate obtaining and maintaining credit ratings for both PJM and PJM Settlement.

The ability of PJM to maintain an investment-grade credit rating will allow PJM ongoing access to cost-efficient third-party financing arrangements. PJM Settlement's maintenance of an investment-grade entity rating assures Market Participants that the central counterparty to PJM Pool Transactions is creditworthy.

G. State Applications

No applications with respect to the issuance of any securities will be filed with any state regulatory authority.

H. Facts Relied Upon to Show that the Issuance of the Securities is Lawful and Necessary

PJM Settlement has the authority under its by-laws to issue the line of credit and guaranty described in this Application. Section 3.01 of the by-laws provides that “[e]xcept as otherwise

¹⁶ The PJM Guaranty is the financial instrument by which PJM guarantees the financial obligations of PJM Settlement.

¹⁷ See Operating Agreement, section 15.2.

provided by law or in the Articles, the business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors” and “[t]he Board of Directors may exercise all such authority and powers of the Corporation and perform all such lawful acts as are authorized under the Act.”¹⁸ The by-laws further provide in Article V that loans may be contracted on behalf of the Corporation and evidence of indebtedness may be issued when authorized by a resolution adopted by the Board of Directors, and such “authority may be general or confined to specific instances.”¹⁹

The issuance of the PJM Settlement Guaranty and the PJM Settlement Line of Credit are consistent with PJM’s Settlement’s purposes and responsibilities, and with the public interest. As explained in section (F) above, the purpose of these instruments is to facilitate PJM Settlement’s ability to function as authorized by the Commission. The subject issuances are in the public interest because they avoid additional expenses and keep the combined costs of administrative services to the Members of PJM and PJM Settlement unchanged. The PJM Settlement Line of Credit provides flexibility and facilitates efficient cash flow management. PJM’s short-term cash obligations can be satisfied by permitting PJM to use cash available with PJM Settlement and avoiding the need to use external financing. The PJM Settlement Guaranty will also facilitate both PJM and PJM Settlement maintaining appropriate credit ratings.

I. Statement of the Bond Indenture(s) or Other Limitations on the Issuance of Additional Debt or Equity Securities

Not applicable.

¹⁸ Bylaws of PJM Settlement, Inc., Art. III, section 3.01.

¹⁹ *Id.* at Art. V, section 5.02.

J. Summary of Any Rate Change

The requested authorizations to issue the PJM Settlement Guaranty and the PJM Settlement Line of Credit will not affect PJM Settlement's rates. There will be no change in the total costs to PJM customers.

III. SECTION 34.2 REQUIREMENTS

Section 34.2 of the Commission's regulations requires that a utility obtain competitive bids from at least two prospective dealers, purchasers or underwriters, or negotiated offers from at least three prospective dealers, purchasers or underwriters, and that it accept the bid or offer that provides the utility with the lowest cost of money for the securities.²⁰ In the alternative, a utility may obtain authorization from the Commission to accept bids or offers other than the types described above.²¹

PJM Settlement requests a waiver of the Commission's competitive bidding or negotiated placement requirements set forth in section 34.2(a) of the Commission's regulations. A waiver of these requirements is reasonable and necessary to allow for the issuance of the securities that are the subject of this Application. The PJM Settlement Guaranty and the PJM Settlement Line of Credit are necessary to facilitate both PJM and PJM Settlement maintaining appropriate credit ratings and permitting PJM Settlement to efficiently function as a counterparty, and they are in the public interest because they facilitate keeping the costs of administrative services unchanged. In addition, the PJM Settlement Line of Credit, in conjunction with the previously approved PJM Line of Credit, facilitates cash flow management that prevents PJM and PJM Settlement from incurring interest expenses for additional short-term borrowing. Granting a waiver of section 34.2 will allow PJM Settlement to have the necessary mechanisms in place without having to undergo

²⁰ 18 C.F.R. §§ 34.2(a)(1), (a)(2), (a)(3)(i).

²¹ 18 C.F.R. § 34.2(a)(3)(iii).

the costs, burdens, and delays of undertaking a competitive bidding or negotiated placement process. Further, the PJM Settlement Line of Credit is an agreement between PJM and PJM Settlement, not susceptible to competitive bidding or a negotiated placement process.

IV. SECTION 34.4 EXHIBITS

PJM Settlement submits the following exhibits pursuant to Section 34.4 of the Commission's regulations, 18 C.F.R. § 34.4:

A. Exhibit A: Statement of Corporate Purposes

Attached as Exhibit A is PJM Settlement's Articles of Incorporation setting forth the purposes and powers of PJM Settlement.

B. Exhibit B: Resolution of Applicant's Directors and Shareholders

Attached as Exhibit B are two separate Certificates of the Secretary of PJM Settlement, dated December 9, 2025, of PJM Settlement, Inc. Board of Director resolutions authorizing (1) the undertaking of the PJM Settlement Guaranty; and (2) the PJM Settlement Line of Credit.

C. Exhibits C, D, and E: Supplemental Filing Notice

Exhibits C (Balance Sheet), D (Income Statement), and E (Cash Flow Statement and Interest Coverage) are required under Section 34.4 of the Commission's regulations and must be based on financial data from PJM Settlement's FERC Form No. 1. PJM Settlement expects to finalize and submit its 2025 Form No. 1 in mid-April 2026. Accordingly, PJM Settlement respectfully notifies the Commission that it will supplement this Application with Exhibits C, D, and E as soon as practicable following submission of Form No. 1.

D. Exhibit F: Registration Statement and Exhibits Filed with the Securities and Exchange Commission for the Proposed Securities Issuances

Not Applicable.

V. CONCLUSION

For the foregoing reasons, PJM Settlement requests that the Commission authorize, for the two-year period of May 25, 2026 through May 25, 2028, PJM Settlement to issue the PJM Settlement Guaranty and the PJM Settlement Line of Credit. PJM Settlement also requests that the Commission act on this application and issue an order by no later than May 22, 2026, with an effective date of May 25, 2026.

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
(202) 423-4743
craig.glazer@pjm.com

Stephen Lawson
President
PJM Settlement, Inc.
2750 Monroe Boulevard
Audubon, PA 19403-2497
(610) 666-4603
stephen.lawson@pjm.com

Dated: March 20, 2026

Respectfully submitted,

/s/ Eric Scherling
Eric Scherling
Secretary
PJM Settlement, Inc.
2750 Monroe Boulevard
Audubon, PA 19403
(267) 853-3494
eric.scherling@pjm.com

Attorney for PJM Settlement, Inc.

VERIFICATION

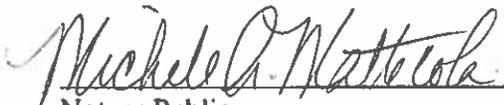
Commonwealth of Pennsylvania)
Township of Lower Providence)
County of Montgomery)

Stephen Lawson, being first duly sworn, on oath, says that he is the President of PJM Settlement, Inc.; that he caused the foregoing Application of PJM Settlement, Inc. under Section 204 of the Federal Power Act for an Order Authorizing (I) Issuance of Guaranty and (II) Provision of Line of Credit to PJM Interconnection, L.L.C. ("Application") to be prepared; and that the Application and supporting data submitted as part of this filing are true, accurate, and current representations of PJM Settlement, Inc.'s books.



Stephen Lawson
President, PJM Settlement, Inc.

Subscribed and sworn to before me a notary public on this 19th day of March, 2026.



Notary Public

My commission expires: Dec. 23 2027

Commonwealth of Pennsylvania - Notary Seal
MICHELE A MATTICOLA - Notary Public
Montgomery County
My Commission Expires December 23, 2027
Commission Number 1249359

Exhibit A

Articles of Incorporation of PJM Settlement, Inc.

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

ARTICLES OF INCORPORATION-NONPROFIT
(15 Pa. C.S.)

Domestic Nonprofit Corporation (Section 5306)
 Nonprofit Cooperative Corporation (Section 7102B)

Name: _____
Address: 7975715 SOPA

Document will be returned to the
name and address entered to the left.

Fee: \$125

In compliance with the requirements of the Pennsylvania Nonprofit Corporation Law of 1988, 15 Pa. C.S.A. § 5101, *et seq.* (the "Act"), the undersigned, desiring to incorporate a nonprofit corporation, hereby certifies that:

1. The name of the corporation is PJM Settlement, Inc. (the "Corporation").
2. The address of the Corporation's current registered office in the Commonwealth of Pennsylvania, and the county of venue is:

955 Jefferson Avenue, Valley Forge Corporate Center, Nnristown, PA 19403
(Montgomery County)

3. The Corporation is incorporated under the Act for the following purposes and for the mutual benefit of the members of the Corporation (the "Members"):

(a) To facilitate purchase and sale transactions by the Members on the regional competitive energy market (the "Energy Market") for which PJM Interconnection, L.L.C. is the market operator,

(b) To provide billing and settlement functions, credit and risk management functions, and to promote operating efficiencies with respect to the Members in connection with their involvement on the Energy Market;

(c) To act as a counterparty with respect to certain agreements and transactions by the Members on the Energy Market, and

(d) For such other lawful purposes as may be authorized by the Board of Directors from time to time, provided such purposes are permitted for a nonprofit corporation under the Act

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4. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

5. The Corporation is organized on a non-stock basis.

6. The Corporation shall have one or more Members. The rights, obligations and classifications of the Members shall be as provided in the Bylaws of the Corporation.

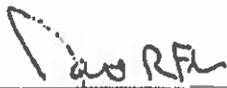
7. The name and address of the sole incorporator is Jonathan R. Flora, c/o Schnader Harrison Segal & Lewis, 1600 Market Street, Ste. 3600, Philadelphia, PA 19103

8. The term of the Corporation is perpetual.

9. These Articles of Incorporation shall be effective on the date filed.

10. No part of the Corporation's net earnings or dividends shall be distributed to a Member, director or officer of the corporation or any other private person; provided, however, that reasonable compensation may be paid for services rendered to or for the Corporation in carrying out its purposes as permitted by the Act. Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed in accordance with the Corporation's Bylaws as permitted by the Act.

IN TESTIMONY WHEREOF, the sole incorporator has signed these Articles of Incorporation this 10th day of October, 2010.



Jonathan R. Flora, incorporator

Exhibit B

**Certificates of Secretary Setting Forth
PJM Settlement, Inc. Board of Director Resolutions**

**SECRETARY'S CERTIFICATE OF
PJM SETTLEMENT, INC.**

Corporate Resolution for
Guaranty of the Financial Obligations of PJM Interconnection, L.L.C.

I, Eric Scherling, hereby certify that I am the Secretary of PJM Settlement, Inc., a Pennsylvania nonprofit corporation duly organized and existing under the applicable provisions of the Pennsylvania Nonprofit Corporation Law, and that the resolutions set forth below were duly adopted by the Board of Directors of PJM Settlement, Inc. at a meeting held on December 9, 2025 and said resolutions have not been rescinded, revoked, amended or modified in any respect and are in full force and effect:

WHEREAS, PJM Settlement, Inc. (the Company) will be providing billing, collection and credit management services to PJM Interconnection, L.L.C. (PJM), and the Associate Members of the Company are also all members of PJM, the Board of Directors (Board) of the Company finds that it is beneficial to the Company's Associate Members for PJM to have a strong credit rating to obtain cost-effective financing for capital and working capital needs;

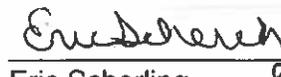
NOW, THEREFORE, BE IT

RESOLVED, that the President or Treasurer of the Company, or any officer of the Company designated by the President is hereby authorized to execute and deliver, in the name and on behalf of the Company, a guaranty of the financial obligations of PJM, such agreement to be in such form as the President or Treasurer or other officer executing the same shall approve, with and upon the advice of legal counsel, such approval to be conclusively evidenced by the President's or Treasurer's or such other officer's execution and delivery thereof;

FURTHER RESOLVED, that the President or Treasurer of the Company, or any officer of the Company designated by the President is hereby authorized to provide a copy of this guaranty to the Company's members, regulators, credit rating agencies or other entities as appropriate; and

FURTHER RESOLVED, that the President or Treasurer of the Company, or any other officer of the Company designated by the President is hereby authorized, in the name and on behalf of the Company, to take such other actions, to execute and deliver such further instruments and documents and to pay all such costs and expenses as the President or Treasurer or other officer shall deem appropriate to effect the purposes of the foregoing resolution and the transactions contemplated thereby.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 20th day of March, 2026.



Eric Scherling
Corporate Secretary

**SECRETARY'S CERTIFICATE OF
PJM SETTLEMENT, INC.**

Corporate Resolution for
Revolving Line of Credit to PJM Interconnection L.L.C.

I, Eric Scherling, hereby certify that I am the Secretary of PJM Settlement, Inc., a Pennsylvania nonprofit corporation duly organized and existing under the applicable provisions of the Pennsylvania Nonprofit Corporation Law, and that the resolutions set forth below were duly adopted by the Board of Directors of PJM Settlement, Inc. at a meeting held on December 9, 2025 and said resolutions have not been rescinded, revoked, amended or modified in any respect and are in full force and effect:

WHEREAS, Article 5 of the Bylaws of PJM Settlement Inc. (the Company), authorizes the Company to enter into loan agreements for any purposes of the corporation, and the Board of Directors (Board) finds that it is desirable and in the best interests of the Company to lend money to PJM Interconnection, L.L.C. (PJM) under a revolving Line of Credit (Line of Credit), to defer the need for PJM to draw on its bank lines of credit, when the Company periodically receives PJM member prepayments and excess congestion funds that may not be payable by the Company until a future date;

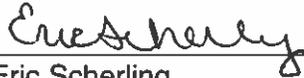
NOW, THEREFORE, BE IT

RESOLVED, that the President or Treasurer of the Company, or any officer of the Company designated by the President is hereby authorized to execute and deliver, in the name and on behalf of the Company, a Line of Credit to PJM not to exceed the sum of the PJM member prepayments plus excess congestion funds held by the Company at that time of any draw requests from PJM, such agreement to be in such form as the President or Treasurer, or other officer executing the same shall approve, with and upon the advice of legal counsel, such approval to be conclusively evidenced by the President's or Treasurer's or such other officer's execution and delivery thereof;

FURTHER RESOLVED, that upon the approval of the President or Treasurer of the Company, that the President or Treasurer of the Company, or any officer of the Company designated by the President is hereby authorized to lend under the Line of Credit and request repayments of outstanding draws from PJM on the Line of Credit as necessary; and

FURTHER RESOLVED, that the President or Treasurer of the Company, or any other officer of the Company designated by the President is hereby authorized, in the name and on behalf of the Company, to take such other actions, to execute and deliver such further instruments and documents and to pay all such costs and expenses as the President or Treasurer or other officer shall deem appropriate to effect the purposes of the foregoing resolution and the transactions contemplated thereby.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 20th day of March, 2026.


Eric Scherling
Corporate Secretary