



Liquidation Solution

Nigeria Bloczynski
Chief Risk Officer
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Re-establish the ability for PJM to liquidate defaulted FTR open positions in a prudent and practical manner, while providing flexibility in the way it exercises that right given certain circumstances such as market liquidity, the size of the defaulted portfolio, market conditions and other relevant factors.



Given the low frequency and potentially high impact nature of defaulted portfolios, Stakeholders agreed to fast track this language into our tariff and operating agreements using a Quick Fix approach.

- Reinstating the waived language does not allow for flexibility and confines the process to prescribed steps.
- Maintaining status quo does not allow for any risk mitigating actions and can keep positions open for years in the future.

**Target
MRC/MC
Vote:
Oct 2020**

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Default Mitigation - Liquidation



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