



# Credit Risk Metrics

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# Full Portfolio Metrics *as of 05/26/2022*

Classification	Current				Last Month				% ▲ m/m
	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Exposure %	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Exposure %	
Investment Grade	\$2,150,480,579	\$1,180,979,798	\$146,880,357	83%	\$2,157,566,139	\$1,112,241,722	\$151,870,811	92%	-3%
Private IG	\$347,692,002	\$61,873,504	\$30,826,477	17%	\$332,277,515	\$58,177,056	\$12,046,280	7%	156%
Sub Inv-Grade	\$0	\$0	\$0	0%	\$4,459,375	\$0	\$0	0%	0%
Private SG	\$3,455,070	\$0	\$15,665	0%	\$14,110,766	\$6,147,465	\$794,184	0%	-98%
Not Rated	\$976,299	\$0	\$16,509	0%	\$15,976,299	\$5,000,000	\$944,581	1%	-98%
<b>Total</b>	<b>\$2,502,603,950</b>	<b>\$1,242,853,302</b>	<b>\$177,739,008</b>	<b>100%</b>	<b>\$2,524,390,094</b>	<b>\$1,181,566,243</b>	<b>\$165,655,856</b>	<b>100%</b>	<b>7%</b>

### Unsecured Credit Allowance (UCA):

- Total credit extended by rating class per tariff Q
- Shows where PJM *is comfortable taking risk*

### Highlights:

- 2 market participants represent >10% of exposure exceeding collateral. Both are rated A- or better.

### Net Exposure:

- Unsecured Credit Allowance utilization
- Current outstanding invoices + unbilled – available market collateral
- Shows where PJM *is taking risk*

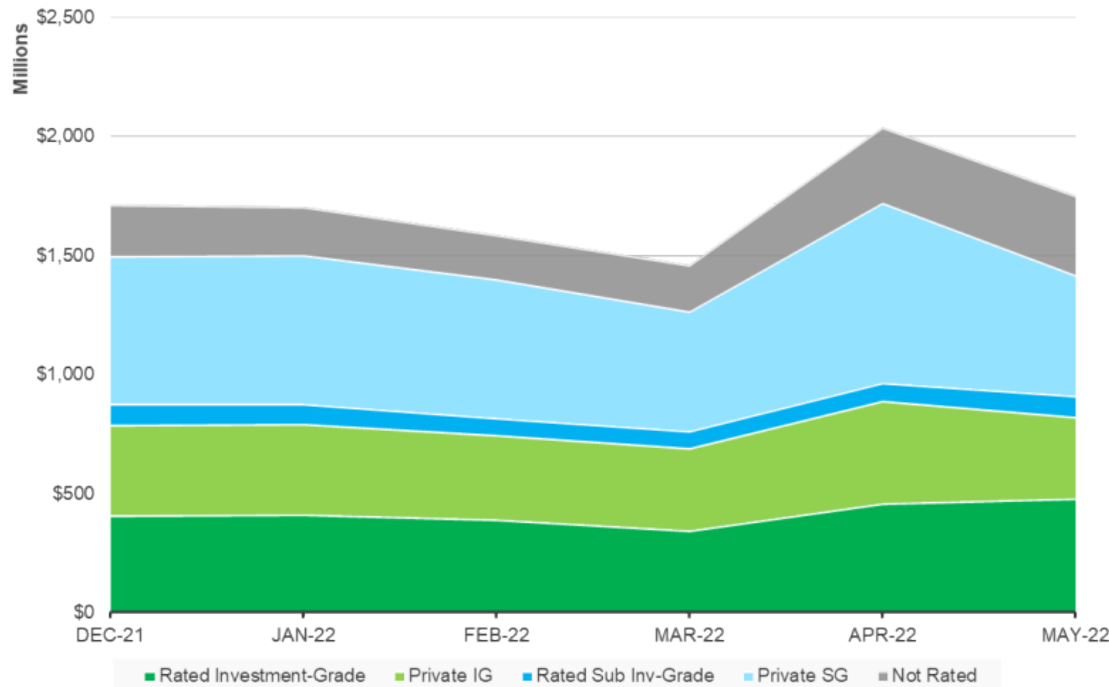
Defaulting Member Company	Amt of Default	Date of Default	Date of Cure	Type of Default
-	-	-	-	-

Source: eCredit member data reports (05-26-2022)



# FTR Portfolio Metrics *as of 05/26/2022*

**FTR Portfolio Size & Quality through Time**



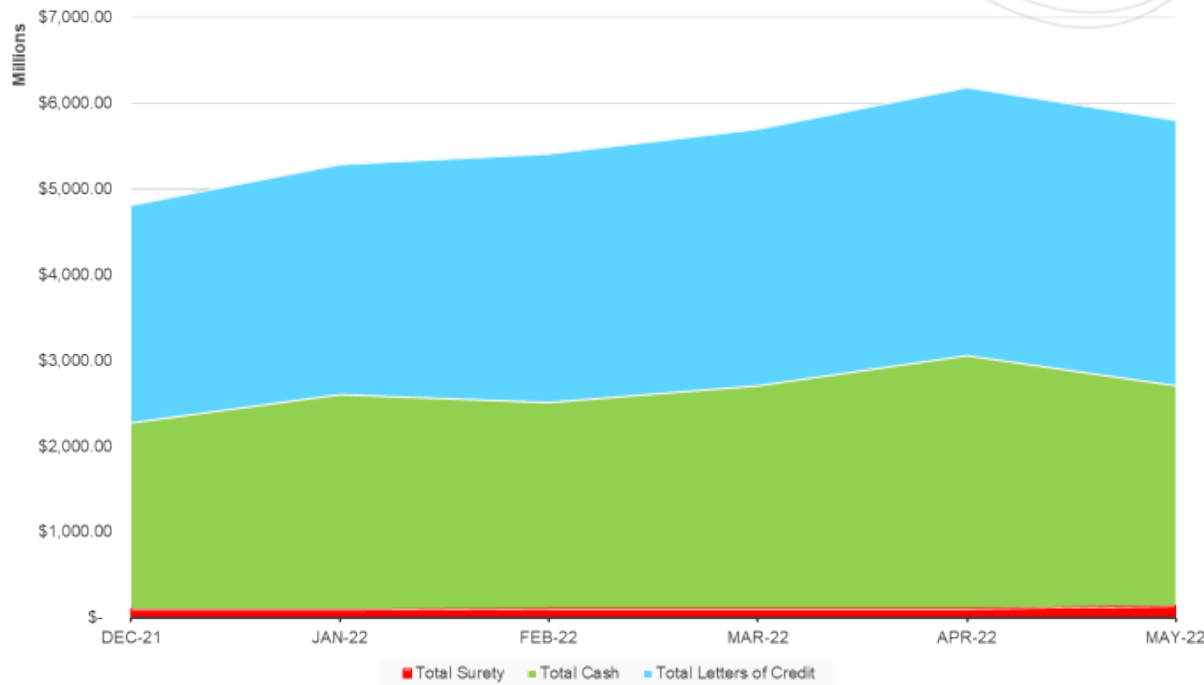
Classification	Current		Last Month		m/m
	FTR Credit Req.	% of Port.	FTR Credit Req.	% of Port.	
Rated Investment-Grade	\$482,738,148	28%	\$458,775,304	22%	5%
Private IG	\$342,009,178	20%	\$431,759,348	21%	-2%
Rated Sub Inv-Grade	\$86,548,946	5%	\$76,031,347	4%	1%
Private SG	\$507,438,363	29%	\$754,177,520	37%	-8%
Not Rated	\$331,383,154	19%	\$318,554,082	16%	3%
<b>Total</b>	<b>\$1,750,117,789</b>	<b>100.00%</b>	<b>\$2,039,297,601</b>	<b>100.00%</b>	<b>-14%</b>

## FTR Portfolio Metrics as of May 26th:

- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 48% Investment-grade (+5% m/m)
- 44% concentration in top 10 participants (-3% m/m)
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (05-26-2022)

Collateral Summary through Time



## Cash Collateral

- Total held by PJM: \$2.57Bn

## Letters of Credit

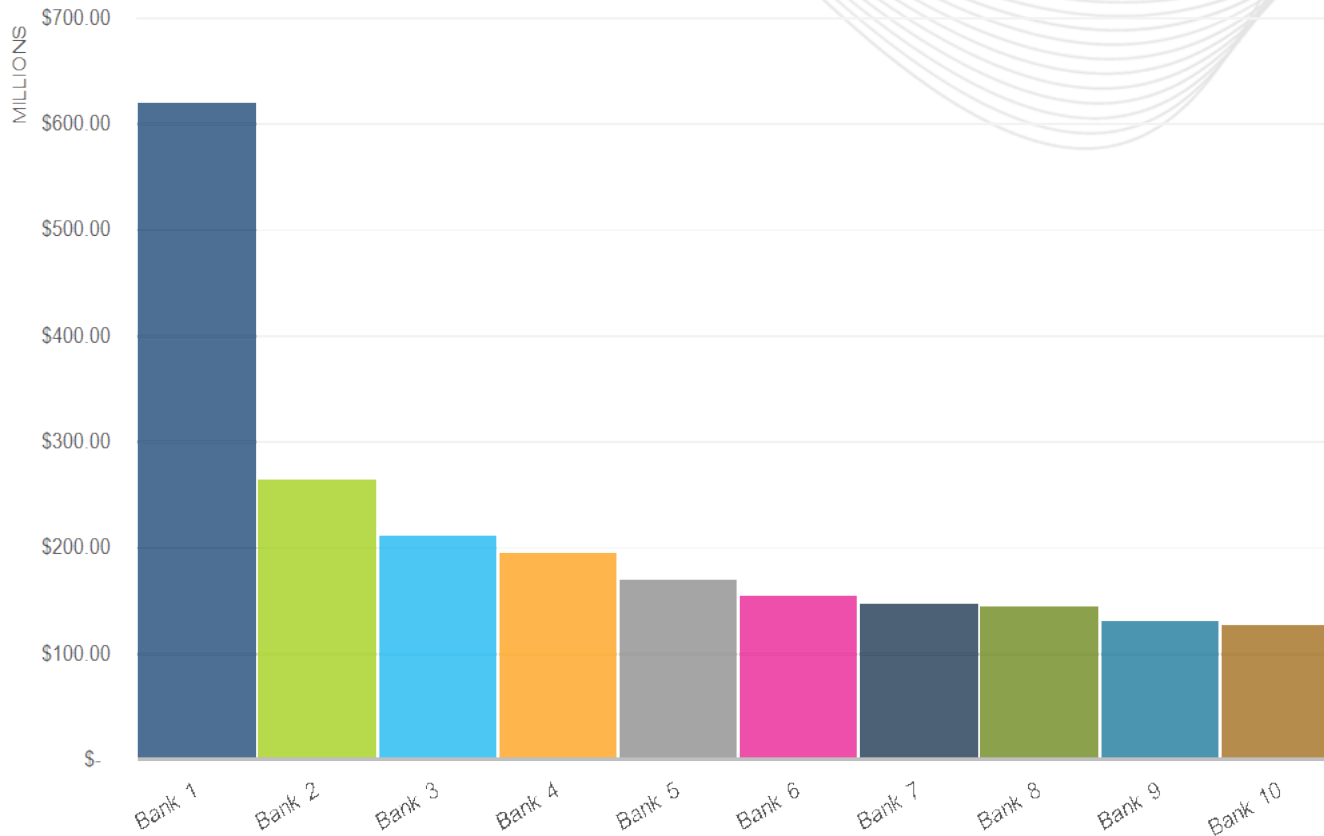
- Total held by PJM: \$3.11Bn
- All issuers rated A or better
- Top 10 banks issued 69% thereof (no  $\Delta$  m/m)
- 1 Bank issued more than 10% thereof
- PJM has accepted LCs from 38 banks in total

## Surety Bonds

- Total held by PJM: \$143MM
- All issuers rated A or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (05-26-2022)

Cash Source: PJM Treasury (05-26-2022)



- Just over \$600MM (20%) of all of PJM’s LC holdings sit with one bank.
- The bank is rated A+ with Stable outlook at S&P and rated Aa3 with Stable outlook at Moody’s.
- It’s an U.S. arm of the second-largest French bank.
- The bank provides capital markets, trade finance, money management and investment banking services.

LC Source: eCredit Bank LC Summary Report (05-26-2022)

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## Credit Risk Metrics



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