



Credit Risk Metrics

Gwen Kelly, Sr. Director,
Credit Risk & Surveillance

Risk Management Committee
July 26, 2022



Full Portfolio Metrics *as of 06/30/2022*

Classification	Current				Last Month				
	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Exposure %	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Exposure %	% ▲ m/ m
Investment Grade	\$2,150,480,579	\$1,087,347,740	\$143,131,747	91%	\$2,150,480,579	\$1,180,979,798	\$146,880,357	83%	-3%
Private IG	\$340,771,306	\$70,177,056	\$14,653,305	9%	\$343,232,627	\$61,873,504	\$30,826,477	17%	-52%
Sub Inv- Grade	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	0%
Private SG	\$2,192,496	\$0	\$21,120	0%	\$3,455,070	\$0	\$15,665	0%	35%
Not Rated	\$0	\$0	\$168,410	0%	\$976,299	\$0	\$16,509	0%	920%
Total	\$2,493,444,381	\$1,157,524,796	\$157,974,582	100%	\$2,498,144,575	\$1,242,853,302	\$177,739,008	100%	-11%

Unsecured Credit Allowance (UCA):

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

Highlights:

- 2 corporate families each 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*

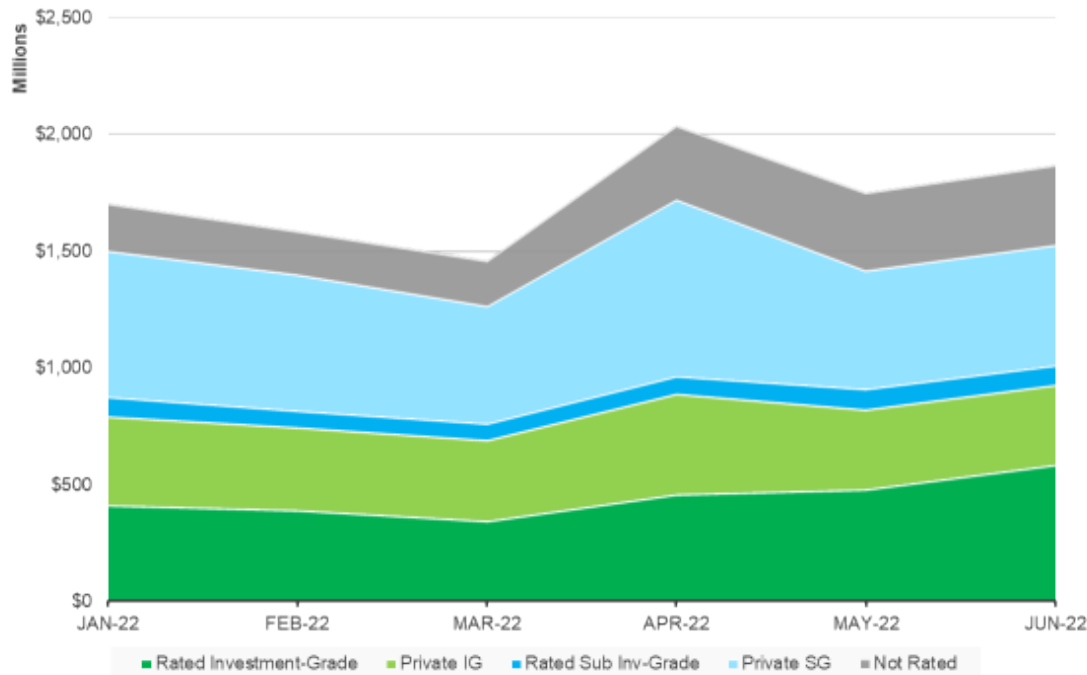
Defaulting Member Company	Amt of Default	Date of Default	Date of Cure	Type of Default
-	-	-	-	-

Source: eCredit member data reports (06-30-2022)



FTR Portfolio Metrics *as of 06/30/2022*

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	\$586,597,869	31%	\$482,738,148	28%	4%
Private IG	\$340,325,237	18%	\$342,009,178	20%	-1%
Rated Sub Inv-Grade	\$87,345,088	5%	\$86,548,946	5%	0%
Private SG	\$515,249,439	28%	\$507,438,363	29%	-1%
Not Rated	\$340,745,327	18%	\$331,383,154	19%	-1%
Total	\$1,870,262,960	100.00%	\$1,750,117,789	100.00%	7%

FTR Portfolio Metrics as of July 30th:

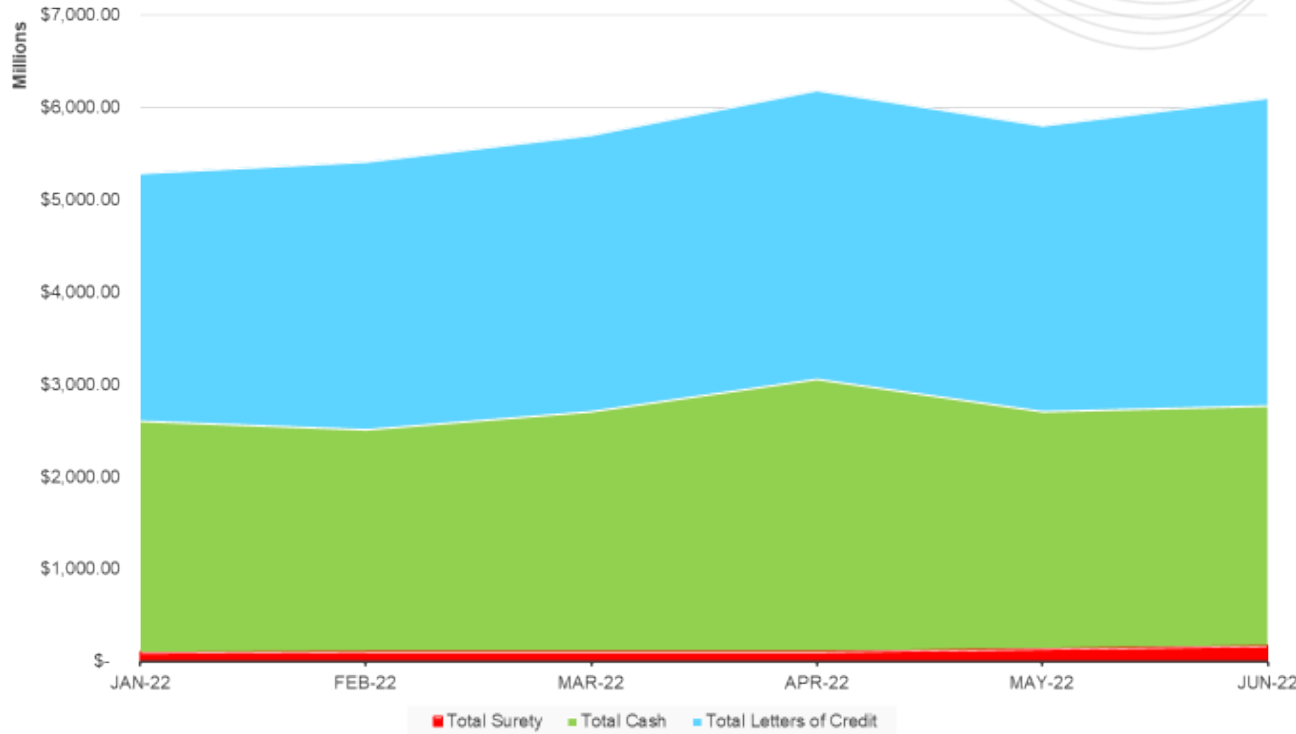
- Requirement spike driven by long-term auctions
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 49% Investment-grade (+1% m/m)
- 44% concentration in top 10 participants (no Δ m/m)
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (06-30-2022)



Collateral Summary (Total PJM) *as of 06/30/2022*

Collateral Summary through Time



Total Collateral held at PJM: \$6.12Bn

Cash Collateral: \$2.61 Bn

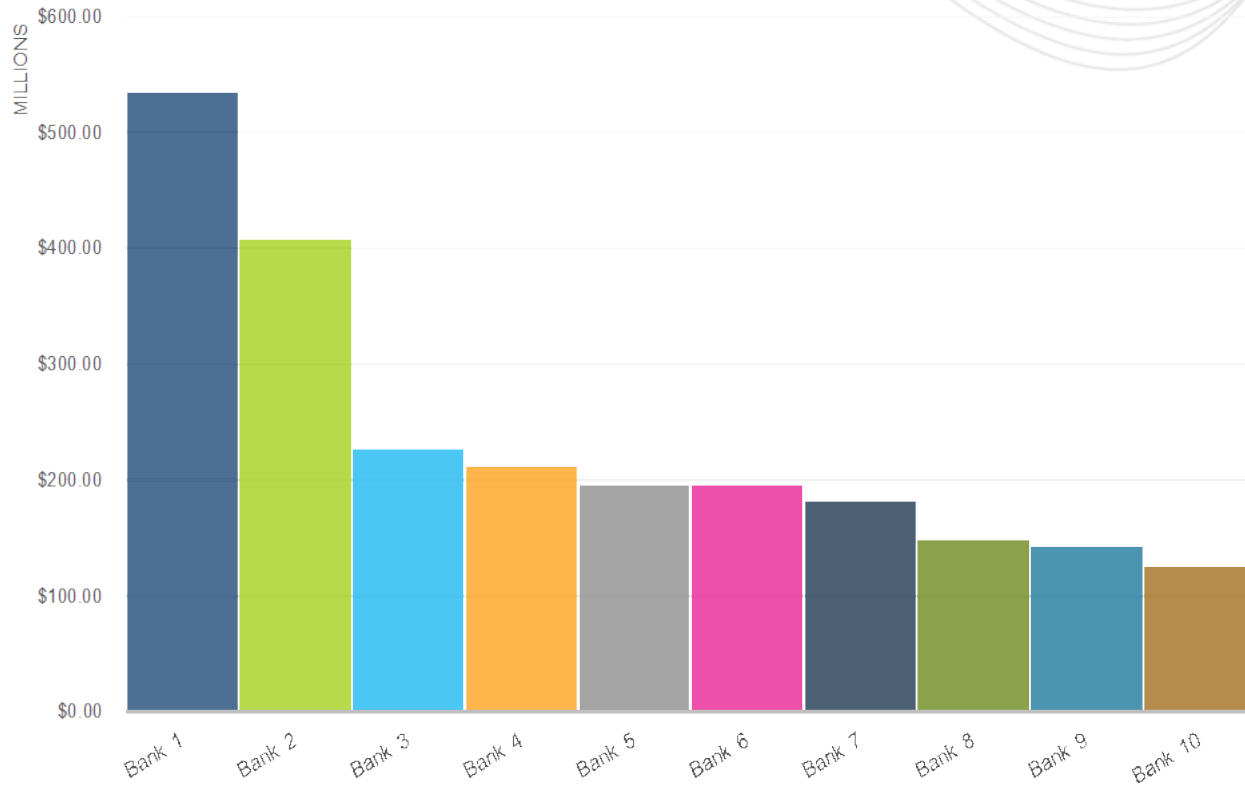
Letters of Credit: \$3.34Bn

- All issuers rated A or better
- Top 10 banks issued 71% thereof (+2% m/m)
- 2 Banks issued more than 10% thereof
- PJM has accepted LCs from 38 banks in total

Surety Bonds: \$173MM

- All issuers rated A or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (06-30-2022)
Cash Source: PJM Treasury (06-30-2022)



Two banks represent more than 10% each of the \$3.34Bn LC portfolio:

- Together, the banks represent ~\$940MM or 28% of PJM’s LC portfolio
- Both banks are rated A+ with Stable outlook at S&P and rated Aa3 with Stable outlook at Moody’s.

LC Source: eCredit Bank LC Summary Report (06-30-2022)

Facilitator:
Jim Gluck, Jim.Gluck@pjm.com

Secretary:
Emmy Messina,
Emmy.Messina@pjm.com

SME/Presenter:
Gwen Kelly, Gwen.Kelly@pjm.com

Credit Risk Metrics



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.
(610) 666-2244 / it_ops_ctr_shift@pjm.com

