Credit Risk Metrics

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Risk Management Committee

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Full Portfolio Metrics *as of 1/26/2023*

Classification	Current: Total Unsecured Credit Allowance	Current: UCA with Exposure	Current: Net Exposure	Current: Exposure %	Last Month: Total Unsecured Credit Allowance	Last Month: UCA with Exposure	Last Month: Net Exposure	Last Month: Exposure %	m/m
Investment Grade	$2,142,510,180	$803,405,566	$86,117,936	95%	$2,160,648,520	$1,301,371,827	$290,063,287	66%	-70%
Private IG	$340,655,965	$47,653,881	$4,877,328	5%	$338,415,602	$76,694,419	$104,623,032	24%	-95%
Sub Inv-Grade	$0	$0	$0	0%	$0	$0	$0	0%	0%
Private SG	$0	$0	$0	0%	$0	$0	$9,022,780	2%	-100%
Not Rated	$0	$0	$31,655	0%	$0	$0	$33,697,891	8%	-100%
Total	**$2,483,166,145**	**$851,059,447**	**$91,026,919**	**100%**	**$2,499,064,122**	**$1,378,066,246**	**$437,406,990**	**100%**	**-79%**

Highlights:

- Six market participants represent >10% of the exposure
- Collectively, they represent 70% of the exposure
- Each market participant is from a different corporate families
- The drop in net exposure was attributed to the unsecured exposure related to the winter storm was collateralized

Unsecured Credit Allowance (UCA):

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

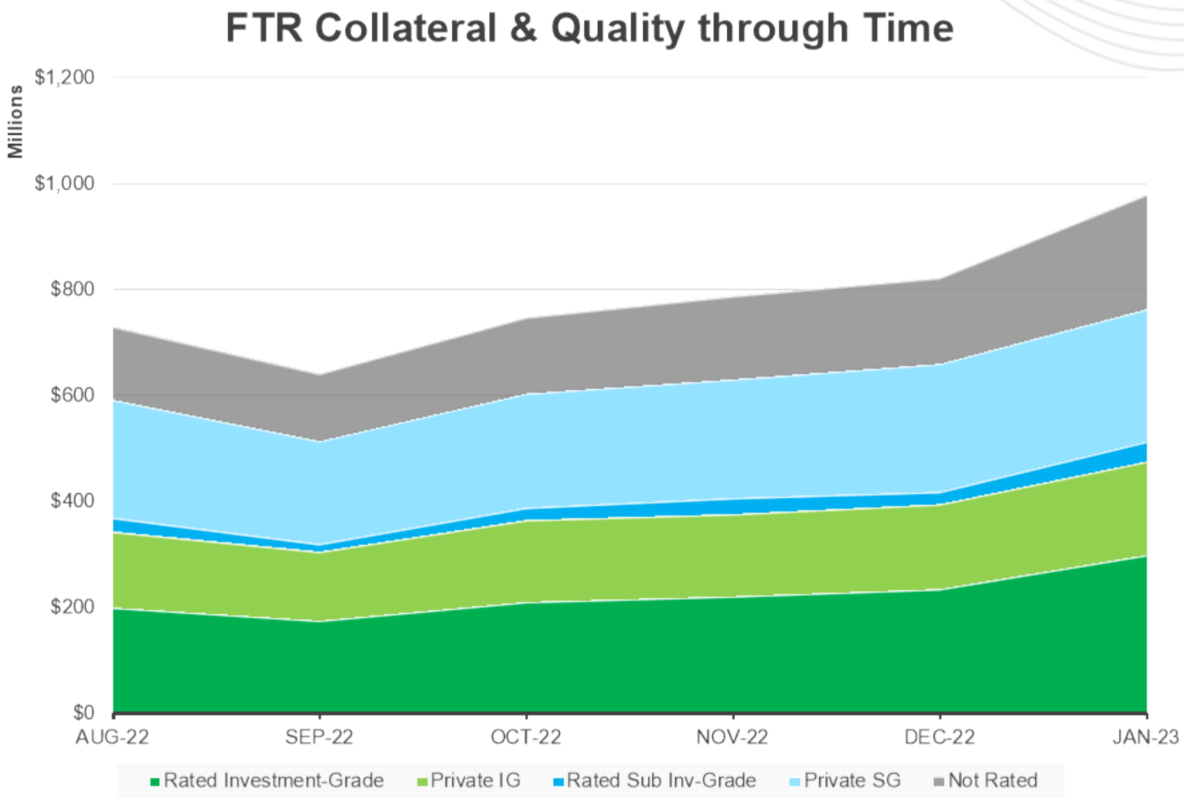
Net Exposure:

- 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 (1-26-2023)

FTR Portfolio Metrics *as of 1/26/2023*



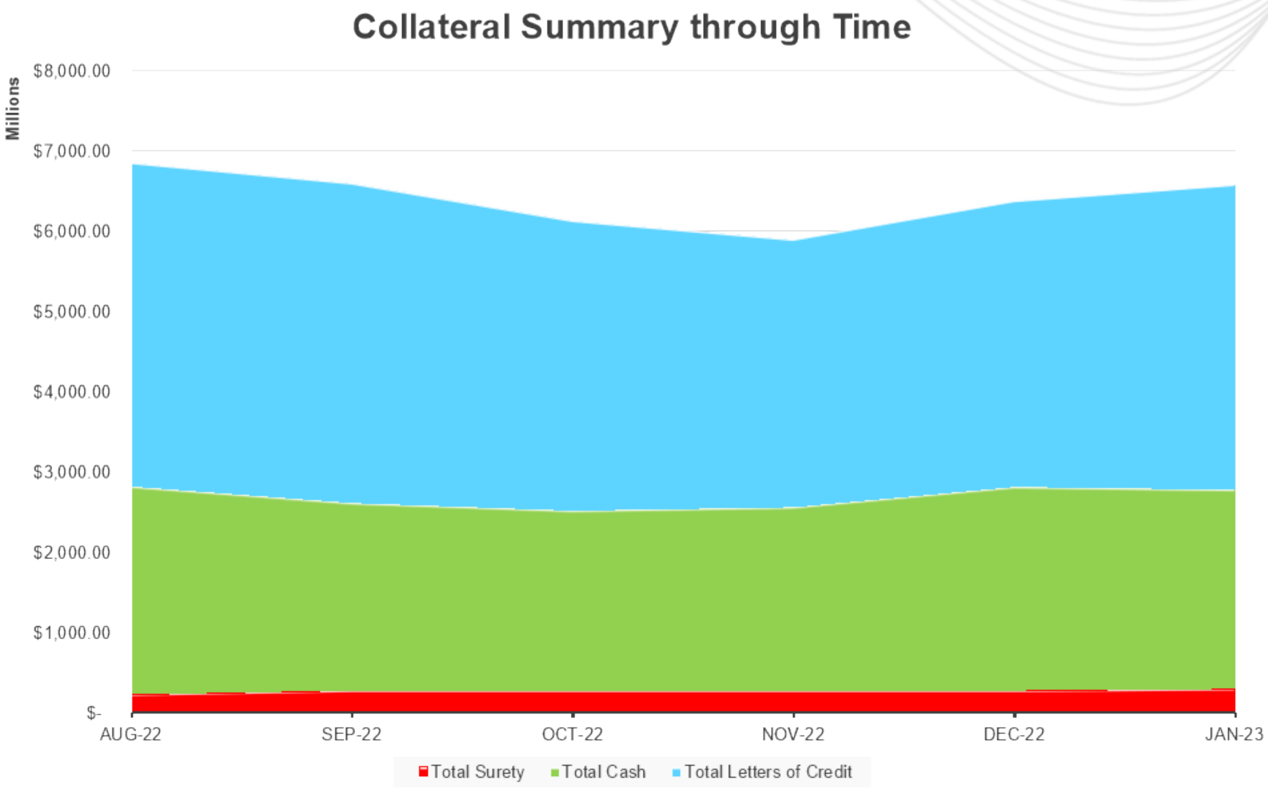
	Current		Last Month		
Classification	**FTR Credit Req.**	**% of Port.**	**FTR Credit Req.**	**% of Port.**	**m/m**
Rated Investment-Grade	$299,144,190	31%	$235,038,212	29%	2%
Private IG	$176,831,980	18%	$160,243,197	19%	-1%
Rated Sub Inv-Grade	$37,487,011	4%	$23,349,001	3%	1%
Private SG	$250,450,619	26%	$241,697,987	29%	-4%
Not Rated	$216,035,475	22%	$162,513,667	20%	2%
Total	**$979,949,275**	**100.00%**	**$822,842,064**	**100.00%**	**19%**

FTR Portfolio Metrics as of January 26th:

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

Source: eCredit member data reports (1-26-2023)

Collateral Summary (Total PJM) *as of 1/26/2023*



Total Collateral held at PJM: $6.58Bn

Cash Collateral: $2.48Bn

Letters of Credit: $3.80Bn

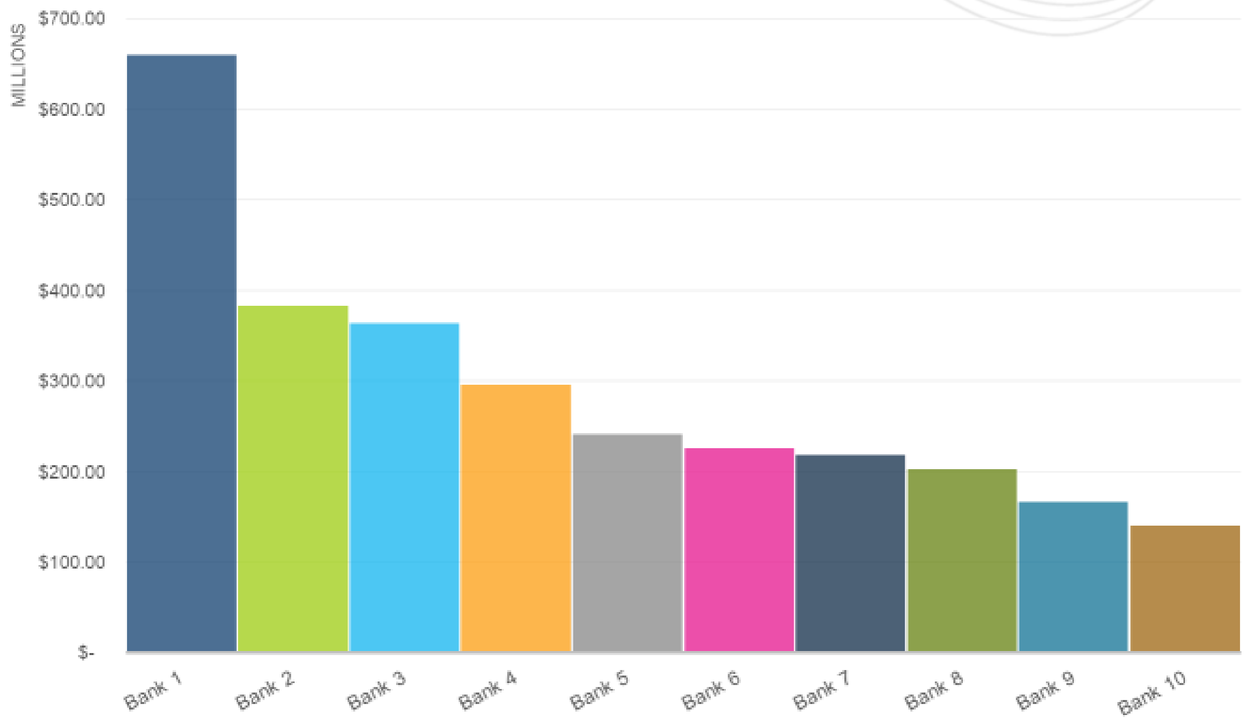
- All issuers rated A or better
- Top 10 banks issued 76% thereof (+1% m/m)
- 2 Banks each issued more than 10% thereof
- PJM has accepted LCs from 41 banks in total

Surety Bonds: $300MM

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

LC Source: eCredit Bank LC Summary Report (1-26-2023)
Cash Source: PJM Treasury (1-26-2023)

LC Concentration *as of 1/26/2023*



Two European banks represent more than 10% each of the $3.80Bn LC portfolio:

- Together, the banks represent ~$1Bn or 27% 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 (1-26-2023)

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