

Cash Collateral Update

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Credit Subcommittee
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- Review current interest rate environment
- The cash collateral interest rate will be provided in PJM's eCredit system
- PJM will provide quarterly updates at CS meetings

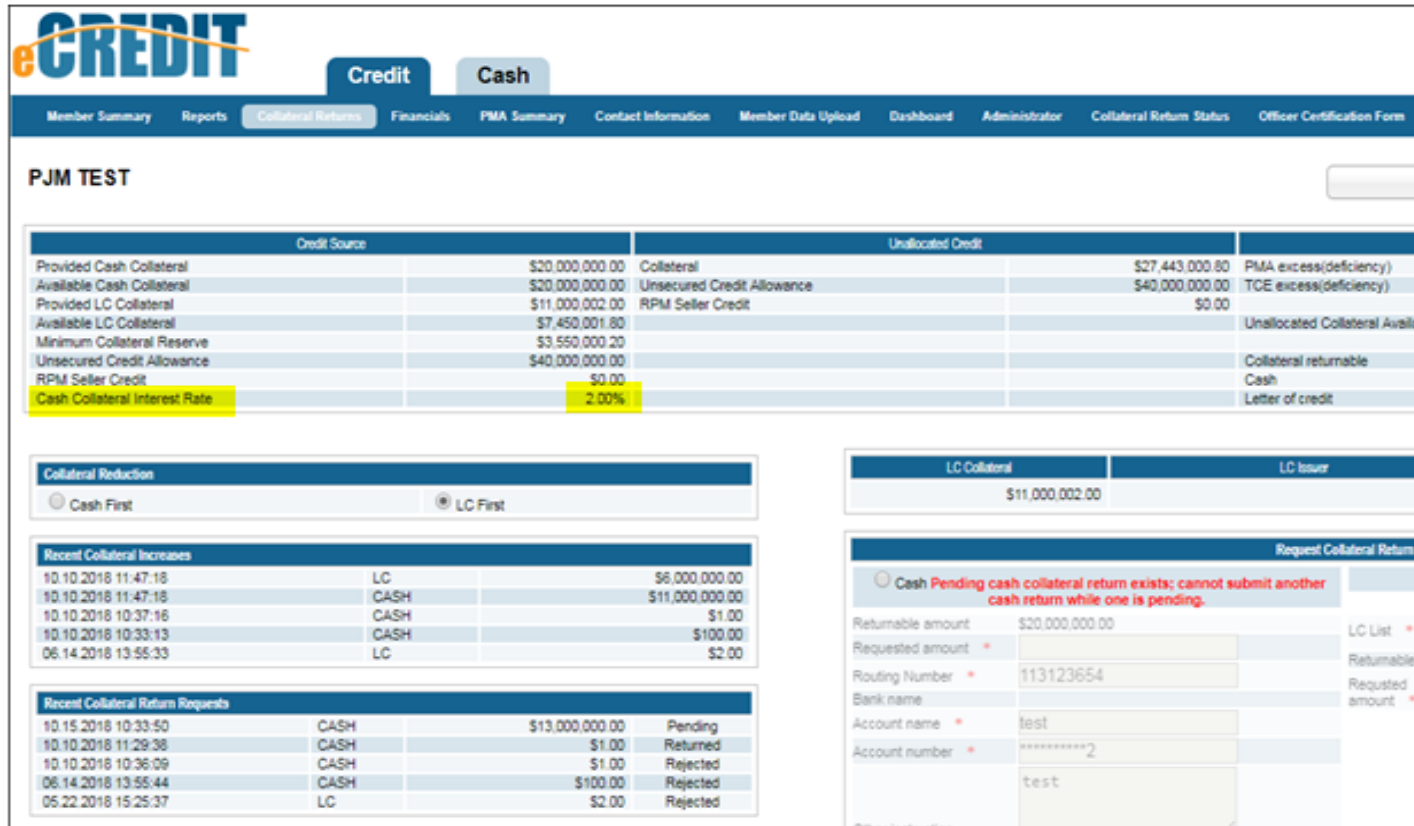


Current Interest Rate Environment

The interest rates for the PNC Bank deposits as compared to treasury/government money market mutual funds:

	<u>PNC Bank Account</u>	<u>Treasury/Gov't Funds</u>
January 2016	0.15%	0.01%
July 2018	1.15%	1.70%
September 2018	1.50%	1.79% - 1.87%
Oct / Nov 2018	2.00%	1.90% - 2.06%

The PNC Bank collateral deposit interest rate is now provided (effective November 15th) in the eCredit system and can be found on the page below:



The screenshot shows the eCredit system interface for a user named 'PJM TEST'. The main navigation bar includes 'Credit' and 'Cash' tabs, with 'Cash' selected. Below the navigation bar, there are several sections:

- Credit Source / Unallocated Credit Table:**

Credit Source	Amount	Unallocated Credit	Amount	Category
Provided Cash Collateral	\$20,000,000.00	Collateral	\$27,443,000.80	PMA excess(deficiency)
Available Cash Collateral	\$20,000,000.00	Unsecured Credit Allowance	\$40,000,000.00	TCE excess(deficiency)
Provided LC Collateral	\$11,000,002.00	RPM Seller Credit	\$0.00	
Available LC Collateral	\$7,450,001.80			Unallocated Collateral Available
Minimum Collateral Reserve	\$3,550,000.20			
Unsecured Credit Allowance	\$40,000,000.00			Collateral returnable
RPM Seller Credit	\$0.00			Cash
Cash Collateral Interest Rate	2.00%			Letter of credit
- Collateral Reduction:** Radio buttons for 'Cash First' and 'LC First'.
- Recent Collateral Increases:**

Date/Time	Type	Amount
10.10.2018 11:47:18	LC	\$6,000,000.00
10.10.2018 11:47:18	CASH	\$11,000,000.00
10.10.2018 10:37:16	CASH	\$1.00
10.10.2018 10:33:13	CASH	\$100.00
06.14.2018 13:55:33	LC	\$2.00
- Recent Collateral Return Requests:**

Date/Time	Type	Amount	Status
10.15.2018 10:33:50	CASH	\$13,000,000.00	Pending
10.10.2018 11:29:38	CASH	\$1.00	Returned
10.10.2018 10:36:09	CASH	\$1.00	Rejected
06.14.2018 13:55:44	CASH	\$100.00	Rejected
05.22.2018 15:25:37	LC	\$2.00	Rejected
- Request Collateral Return:** A form with a warning: 'Cash Pending cash collateral return exists; cannot submit another cash return while one is pending.' Fields include: Returnable amount (\$20,000,000.00), Requested amount, Routing Number (113123654), Bank name, Account name (test), and Account number (*****2).

PJM will provide quarterly updates regarding Cash Collateral Deposits beginning with the January 22, 2019 Credit Subcommittee meeting and plans to continue with updates at the subsequent April, July, and October CS meetings.