

# Credit Risk Metrics

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Risk Management Committee  
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# Full Portfolio Metrics *as of 11/25/2021*

Classification	Current				Last Month				% ▲ m/m
	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Class % of Exposure	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Class % of Exposure	
Investment Grade	\$2,192,566,139	\$1,115,185,235	\$134,952,976	85%	\$2,142,374,539	\$1,032,454,511	\$111,230,676	84%	21%
Private IG	\$288,571,240	\$54,693,221	\$20,669,133	13%	\$288,571,240	\$92,594,623	\$19,194,274	15%	8%
Sub Inv-Grade	\$4,459,375	\$0	\$0	0%	\$4,459,375	\$0	\$0	0%	0%
Private SG	\$21,002,650	\$7,111,002	\$1,799,315	1%	\$21,002,650	\$9,286,603	\$1,145,260	1%	57%
Not Rated	\$15,976,299	\$5,000,000	\$1,094,912	1%	\$15,976,299	\$5,000,000	\$783,290	1%	40%
<b>Total</b>	<b>\$2,522,575,703</b>	<b>\$1,181,989,458</b>	<b>\$158,516,336</b>	<b>100%</b>	<b>\$2,472,384,103</b>	<b>\$1,139,335,737</b>	<b>\$132,353,500</b>	<b>100%</b>	<b>20%</b>

### Unsecured Credit Allowance (UCA):

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

### Highlights:

- 1 A- rated corporate family represents >10% of exposure exceeding collateral

### Net Exposure:

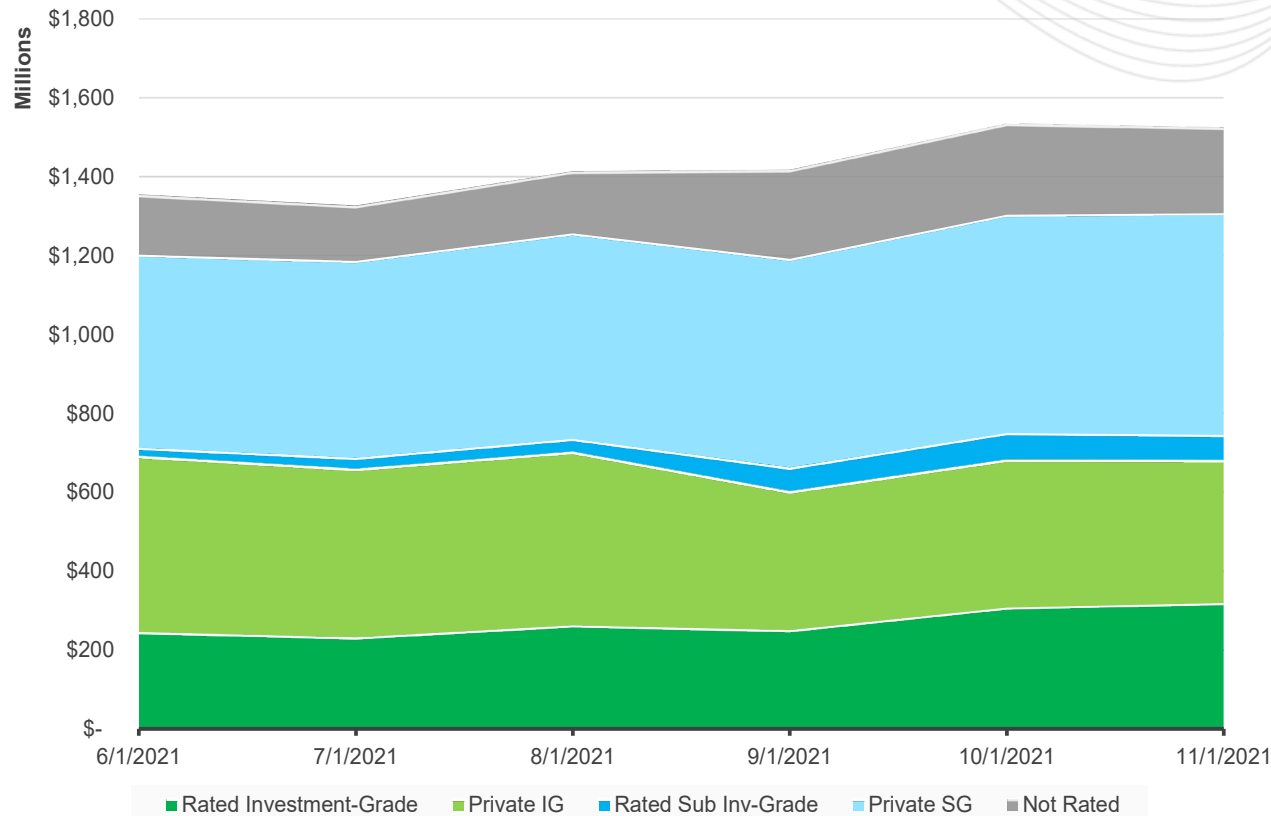
- Unsecured Credit Allowance utilization
- Current outstanding invoices + unbilled – available market collateral
- Shows where PJM *is taking risk*

Source: eCredit member data reports (11-25-2021)



# FTR Portfolio Metrics *as of 11/25/2021*

## FTR Portfolio Quality through Time



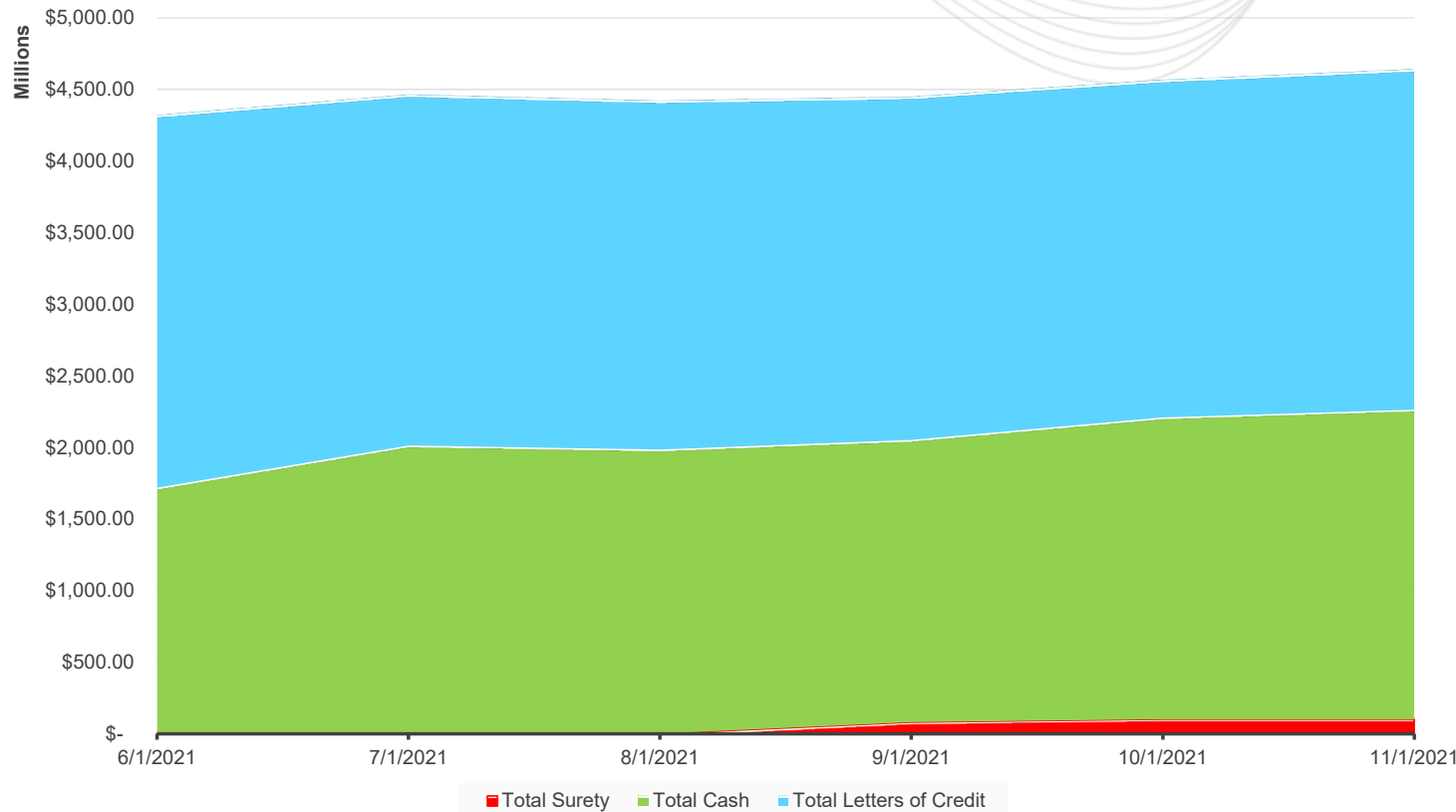
Classification	Current		Last Month		% ▲ m/m
	FTR Credit Req.	%	FTR Credit Req.	%	
Rated Investment-Grade	\$319,460,008	21%	\$307,584,461	20%	1%
Private IG	\$363,005,414	24%	\$376,536,608	25%	-1%
Rated Sub Inv-Grade	\$63,095,298	4%	\$65,773,173	4%	0%
Private SG	\$561,801,186	37%	\$553,439,364	36%	1%
Not Rated	\$216,744,599	14%	\$230,142,765	15%	-1%
<b>Total</b>	<b>\$1,524,106,505</b>	<b>100.00%</b>	<b>\$1,533,476,371</b>	<b>100.00%</b>	<b>-1%</b>

## FTR Portfolio Metrics as of November 25:

- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 45% Investment-grade (no  $\Delta$  m/m)
- 47% concentration in top 10 participants (-2% m/m)
- No market participants or corporate families represent over 10% of the portfolio

Source: eCredit member data reports (11-25-2021)

## Collateral Summary through Time



### Cash Collateral

- Total held by PJM: \$2.16Bn

### Letters of Credit

- Total held by PJM: \$2.38Bn
- All issuers rated A or better
- Top 10 banks issued 75% thereof
- 2 Banks issued more than 10% ea
- PJM has accepted LCs from 36 banks in total

### Surety Bonds

- Total held by PJM: \$101.5MM
- All issuers rated A- or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (11-25-2021)  
Cash Source: PJM Treasury (11-25-2021)

## November News:

- A member family received public rating upgrades during November; the entities are moderately investment-grade.
- Another member started a new public rating during November; the entity is highly investment-grade.
- Natural Gas prices have continued to fall after season-change volatility has subsided and a more moderate winter appears. Most of the '22 Henry-Hub forward curve has fallen back below \$4/Mcf. Fears of domestic shortage have abated as storage levels have grown quickly into their 5 year averages.

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## Credit Risk Metrics



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