

Credit Risk Metrics

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Risk Management Committee
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Full Portfolio Metrics *as of 01/27/2022*

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	\$2,149,666,139	\$1,271,252,381	\$262,815,497	86%	\$2,148,666,139	\$1,254,609,154	\$147,850,785	90%	78%
Private IG	\$282,471,240	\$89,570,790	\$28,353,998	9%	\$282,471,240	\$91,343,921	\$15,419,232	9%	84%
Sub Inv-Grade	\$4,459,375	\$0	\$1,625,868	1%	\$4,459,375	\$0	\$0	0%	0%
Private SG	\$20,048,787	\$10,923,811	\$9,532,626	3%	\$20,986,671	\$7,323,916	\$861,971	1%	1006%
Not Rated	\$15,976,299	\$5,000,000	\$3,009,562	1%	\$15,976,299	\$5,000,000	\$862,346	1%	249%
Total	\$2,472,621,840	\$1,376,746,982	\$305,337,551	100%	\$2,472,559,724	\$1,358,276,991	\$164,994,334	100%	85%

Unsecured Credit Allowance (UCA):

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

Highlights:

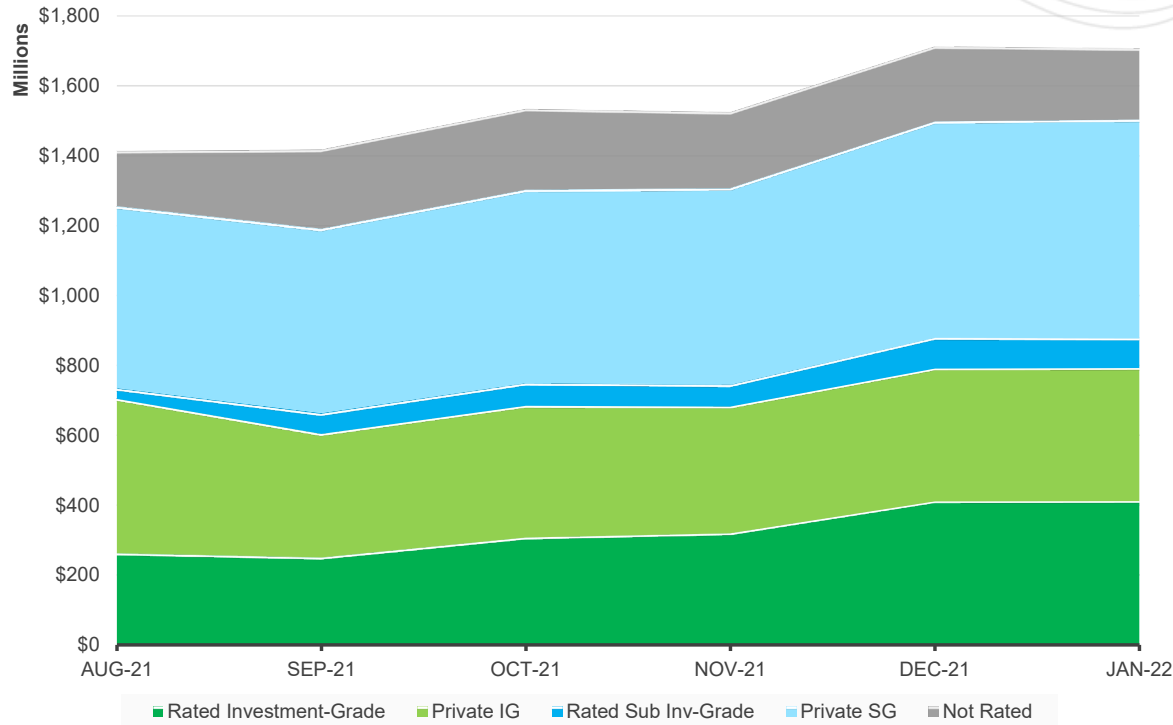
- 2 corporate families each represent >10% of exposure exceeding collateral. Both are rated A-.

Net Exposure:

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

Source: eCredit member data reports (01-27-2021)

FTR Portfolio Quality through Time



Classification	Current		Last Month		m/m
	FTR Credit Req.	% of Port.	FTR Credit Req.	% of Port.	
Rated Investment-Grade	\$411,859,302	24%	\$410,959,665	24%	0%
Private IG	\$380,522,059	22%	\$380,121,892	22%	0%
Rated Sub Inv-Grade	\$84,931,750	5%	\$88,136,318	5%	0%
Private SG	\$626,147,709	37%	\$618,925,956	36%	1%
Not Rated	\$202,329,833	12%	\$214,096,808	13%	-1%
Total	\$1,705,790,653	100.00%	\$1,712,240,639	100.00%	0%

FTR Portfolio Metrics as of January 27th:

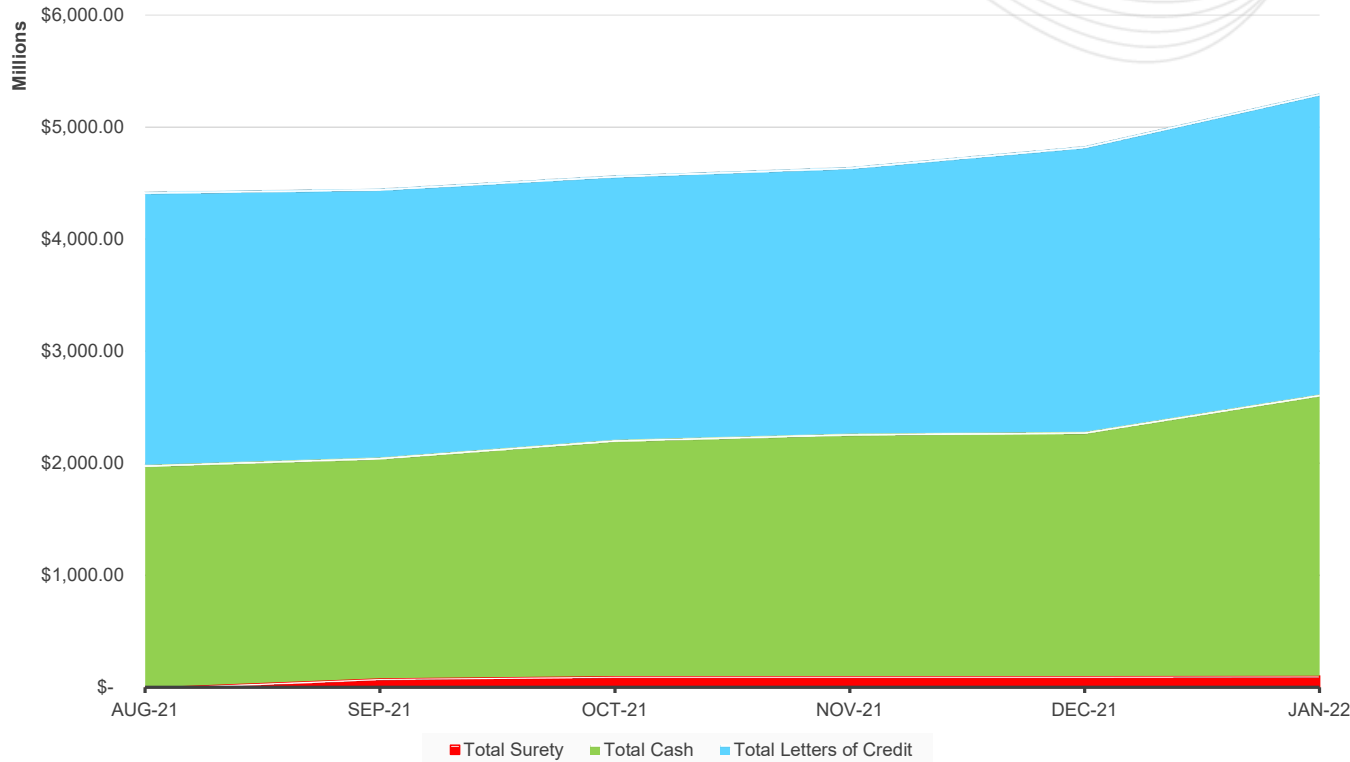
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 46% Investment-grade (stable m/m)
- 45% concentration in top 10 participants (-1% m/m)
- No market participants or corporate families represent over 10% of the portfolio

Source: eCredit member data reports (01-27-2022)



Collateral Summary (Total PJM) *as of 01/27/2021*

Collateral Summary through Time



Cash Collateral

- Total held by PJM: \$2.51Bn

Letters of Credit

- Total held by PJM: \$2.68Bn
- All issuers rated A or better
- Top 10 banks issued 70% thereof (-1% m/m)
- 1 Bank issued more than 10% thereof
- PJM has accepted LCs from 35 banks in total

Surety Bonds

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

LC Source: eCredit Bank LC Summary Report (01-27-2021)
Cash Source: PJM Treasury (01-27-2021)

January News:

- One of PJMs largest LC banks, and a group of utility participants saw credit rating upgrades during the month. They were previously investment-grade and remained as such.
- A sub-investment grade Market Participant experienced a further downgrade in its ratings. Currently, there is no positive exposure.

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Credit Risk Metrics



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Appendix

Portfolio Viewpoint:

- Exposure Pie 1: PJM FTR \$\$\$ Exposure by rating

Portfolio Concentrations:

- Sum of Top 10 concentrations as % of total exposure – FTR group
- Concentrations at Unrated, rated investment-grade, rated below-investment grade partners
- # of Single partner concentrations greater than 10% of the FTR book

Defaults, Collateral, Downgrades:

- # of Defaults this month + \$ amounts
- LC Concentrations (Financial Institutions)
- Surety Concentrations (Insurance Companies)
- Unsecured credit extended by rating (All companies)
- Rating Agency downgrades this month: monologue with industry and non-member specific downgrade info

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