



# Credit Risk Metrics

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Risk Management Committee  
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# Full Portfolio Metrics *as of 09/29/2022*

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	\$2,153,098,520	\$1,124,206,032	\$144,086,833	97%	\$2,145,098,520	\$1,202,779,334	\$158,949,321	97%	-9%
Private IG	\$333,415,604	\$22,653,881	\$4,732,277	3%	\$332,357,894	\$30,183,229	\$4,471,514	3%	6%
Sub Inv- Grade	\$0	\$0	\$0	0%	\$0	\$0	\$2,296	0%	-100%
Private SG	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	0%
Not Rated	\$0	\$0	\$87	0%	\$0	\$0	\$6,314	0%	-99%
<b>Total</b>	<b>\$2,486,514,124</b>	<b>\$1,146,859,913</b>	<b>\$148,819,197</b>	<b>100%</b>	<b>\$2,477,456,414</b>	<b>\$1,232,962,563</b>	<b>\$163,429,445</b>	<b>100%</b>	<b>-9%</b>

### Unsecured Credit Allowance (UCA):

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

### Highlights:

- 3 corporate families represent >10% of exposure each. The families are investment-grade.

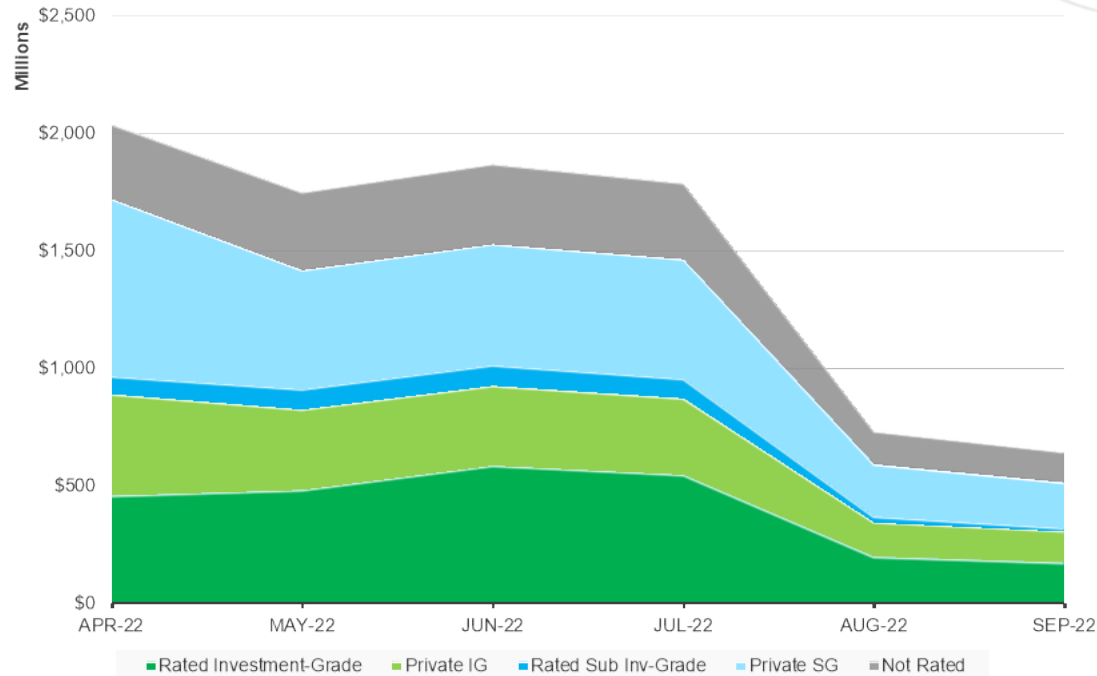
### Net Exposure:

- 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 (09-29-2022)

### 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	\$175,255,750	27%	\$199,917,937	27%	0%
Private IG	\$130,762,682	20%	\$144,101,711	20%	1%
Rated Sub Inv-Grade	\$14,374,007	2%	\$25,965,600	4%	-1%
Private SG	\$194,348,280	30%	\$222,700,356	30%	0%
Not Rated	\$127,209,695	20%	\$138,403,291	19%	1%
<b>Total</b>	<b>\$641,950,414</b>	<b>100.00%</b>	<b>\$731,088,895</b>	<b>100.00%</b>	<b>-12%</b>

### FTR Portfolio Metrics as of September 29th:

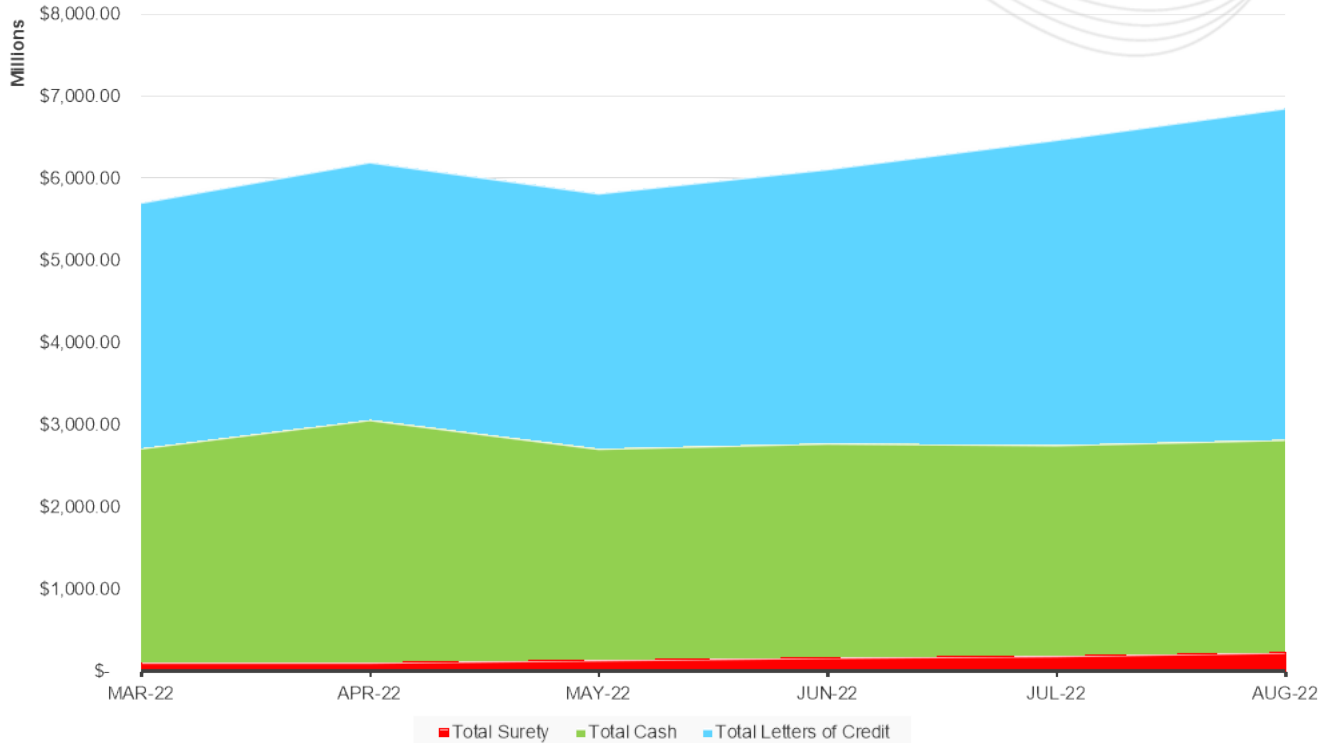
- Requirement drop driven by HSIM adoption
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 47% Investment-grade (no  $\Delta$  m/m)
- 46% concentration in top 10 participants (+3% m/m)
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (09-29-2022)



# Collateral Summary (Total PJM) *as of 09/29/2022*

### Collateral Summary through Time



Total Collateral held at PJM: \$6.60Bn

Cash Collateral: \$2.33Bn

Letters of Credit: \$3.98Bn

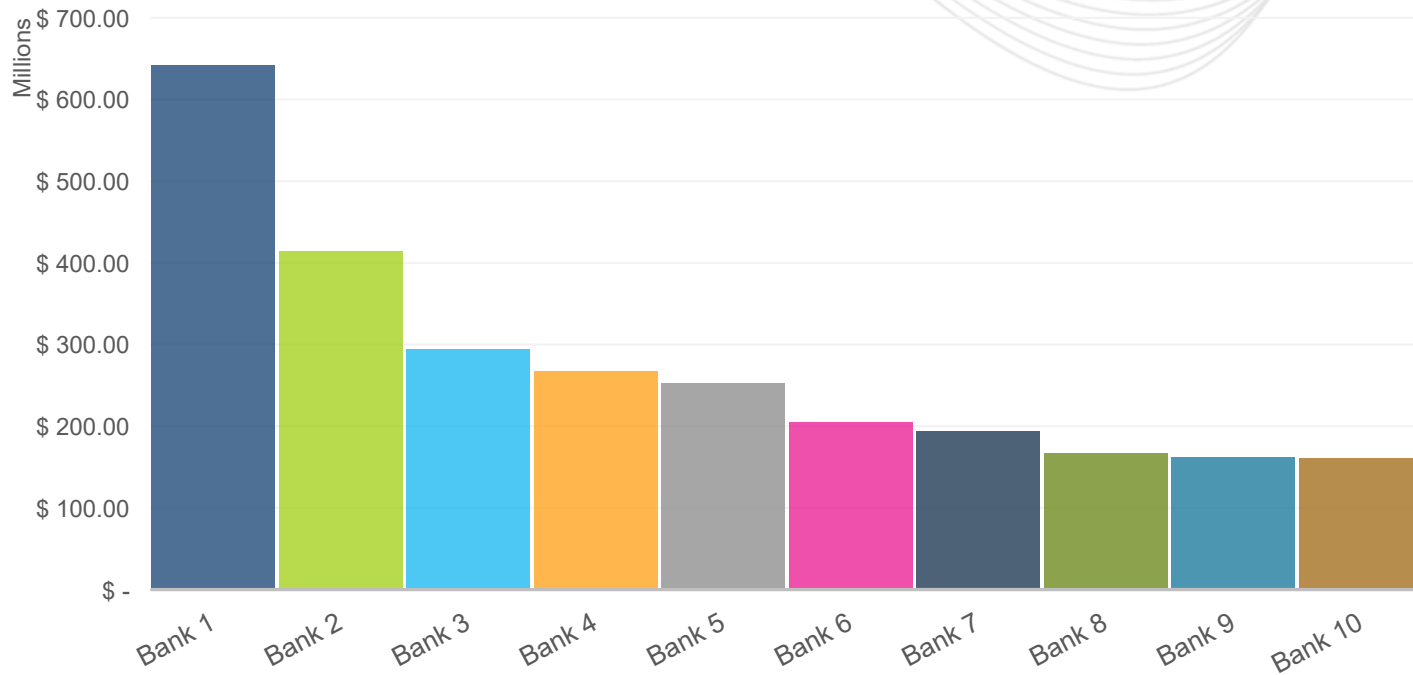
- All issuers rated A or better
- Top 10 banks issued 70% thereof (no  $\Delta$  m/m)
- 2 Banks issued more than 10% thereof
- PJM has accepted LCs from 38 banks in total

Surety Bonds: \$283MM

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

LC Source: eCredit Bank LC Summary Report (09-29-2022)

Cash Source: PJM Treasury (09-29-2022)



Two European banks represent more than 10% each of the \$3.98Bn LC portfolio:

- Together, the banks represent ~\$1Bn or 26% 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 (09-29-2022)

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## Credit Risk Metrics



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POWER GRID  
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