

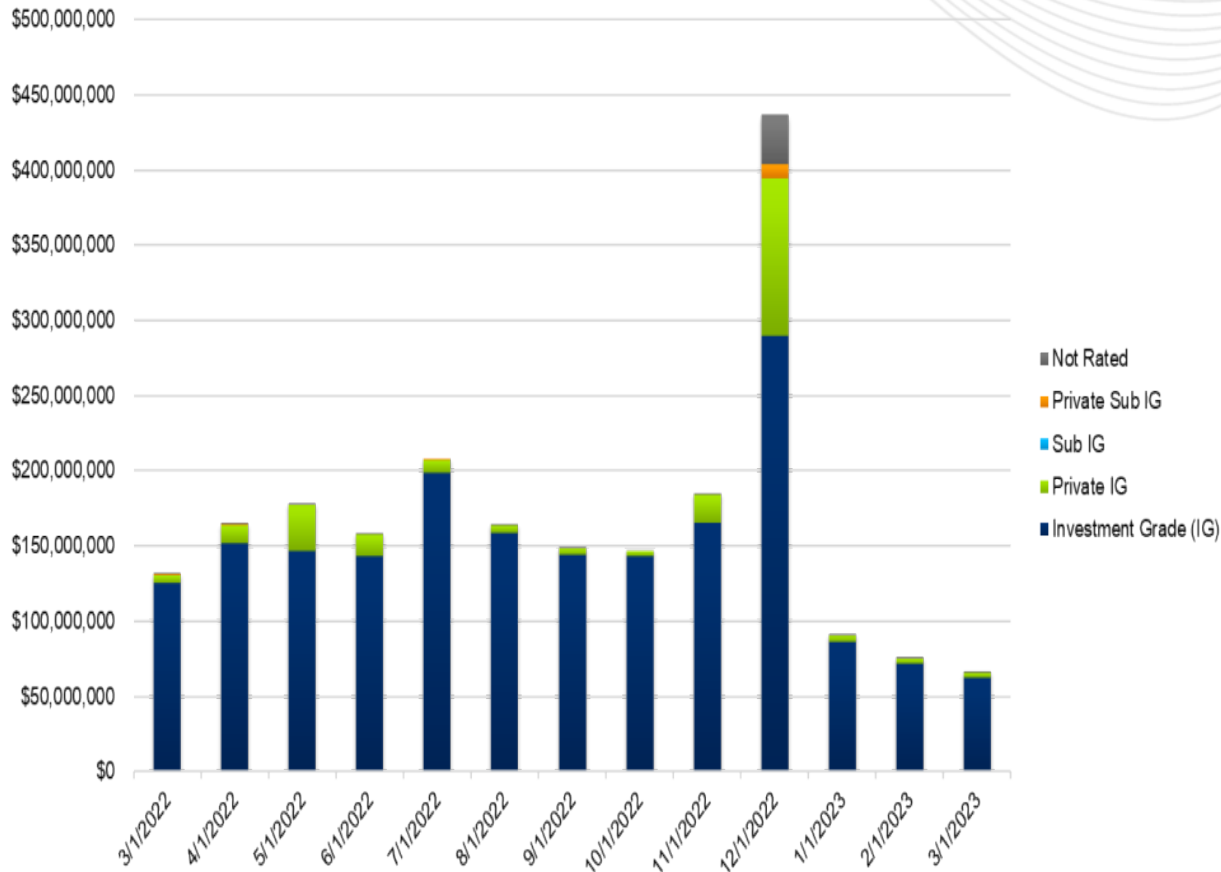
# Credit Risk Metrics

Gwen Kelly, Sr. Director, Credit  
Risk & Collateral Management

Risk Management Committee  
April 25, 2023



# Full Portfolio Metrics *as of 3/30/2023*



Classification	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	%
Investment Grade	\$2,160,510,180	\$922,454,467	\$62,282,523	95%
Private IG	\$332,505,965	\$48,181,863	\$3,416,130	5%
Sub Inv- Grade	\$0	\$0	\$0	0%
Private SG	\$0	\$0	\$0	0%
Not Rated	\$0	\$0	\$1,195	0%
<b>Total</b>	<b>\$2,493,016,145</b>	<b>\$970,636,330</b>	<b>\$65,699,848</b>	<b>100%</b>

### Highlights:

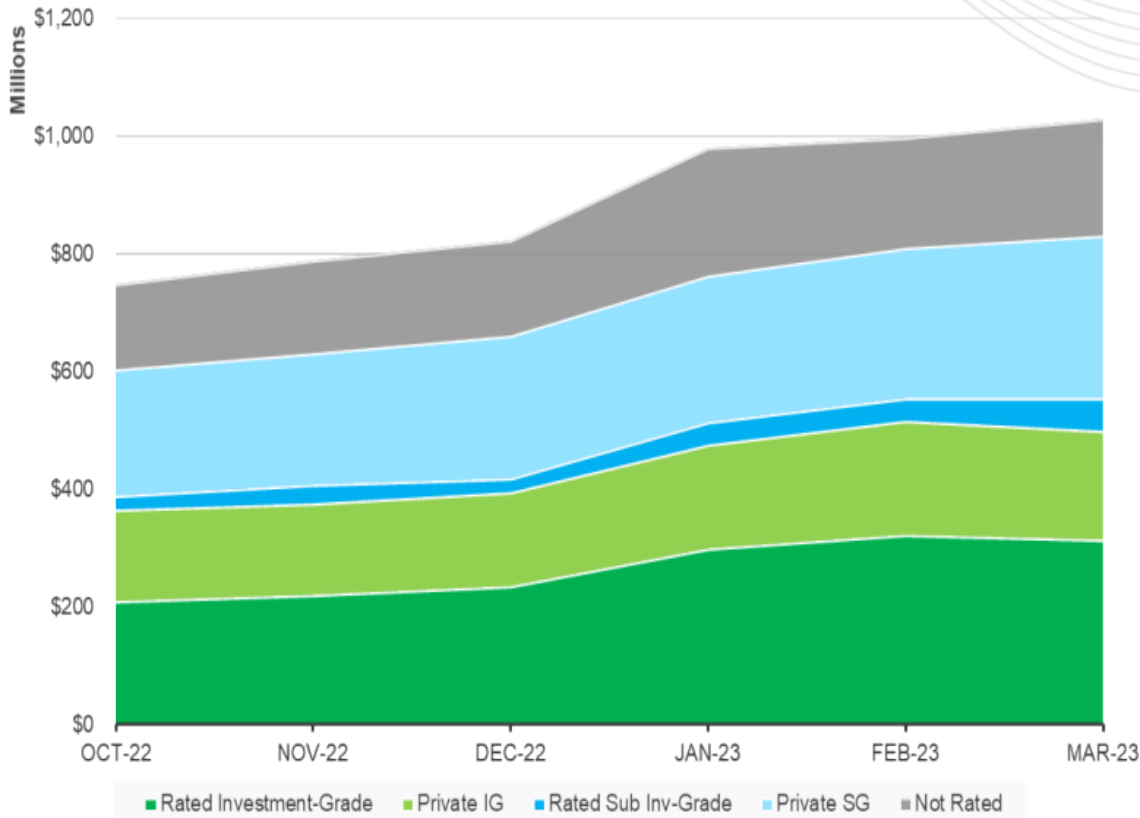
- 4 participants each represent >10% of the exposure individually
- The top 5 participants represent 57% of the outstanding exposure
- They are from different corporate families

Source: eCredit member data reports (3-30-2023)



# FTR Portfolio Metrics *as of 3/30/2023*

## FTR Collateral & Quality through Time



Classification	Current		Month/Month		Year/Year	
	FTR Credit Req.	%	FTR Credit Req.		FTR Credit Req.	
Rated Investment-Grade	\$313,458,490	30%	\$322,534,244	-3%	\$347,056,698	-10%
Private IG	\$184,877,079	18%	\$193,615,846	-5%	\$345,460,487	-46%
Rated Sub Inv-Grade	\$56,583,516	5%	\$37,768,160	50%	\$72,280,004	-22%
Private SG	\$276,315,144	27%	\$256,577,330	8%	\$499,753,742	-45%
Not Rated	\$198,518,853	19%	\$186,802,594	6%	\$194,149,515	2%
<b>Total</b>	<b>\$1,029,753,082</b>	<b>100%</b>	<b>\$997,298,174</b>	<b>3%</b>	<b>\$1,458,700,446</b>	<b>-29%</b>

## FTR Portfolio Metrics as of March 30th:

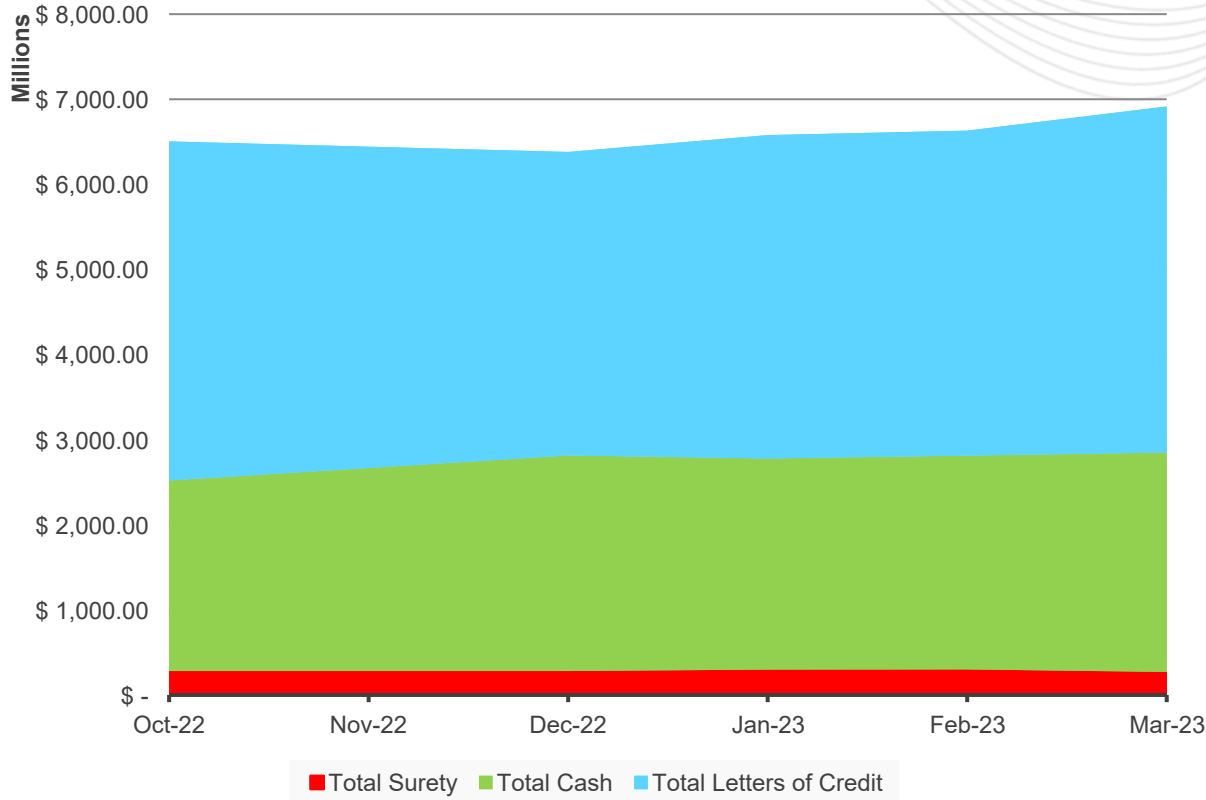
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 48% Investment-grade (-3% m/m)
- 44% concentration in top 10 participants (-1% Δ m/m)
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (3-30-2023)



# Collateral Summary (Total PJM) *as of 3/30/2023*

## Collateral Summary through Time



Total Collateral held at PJM: \$6.91Bn

Cash Collateral: \$2.57Bn

Letters of Credit: \$4.07Bn

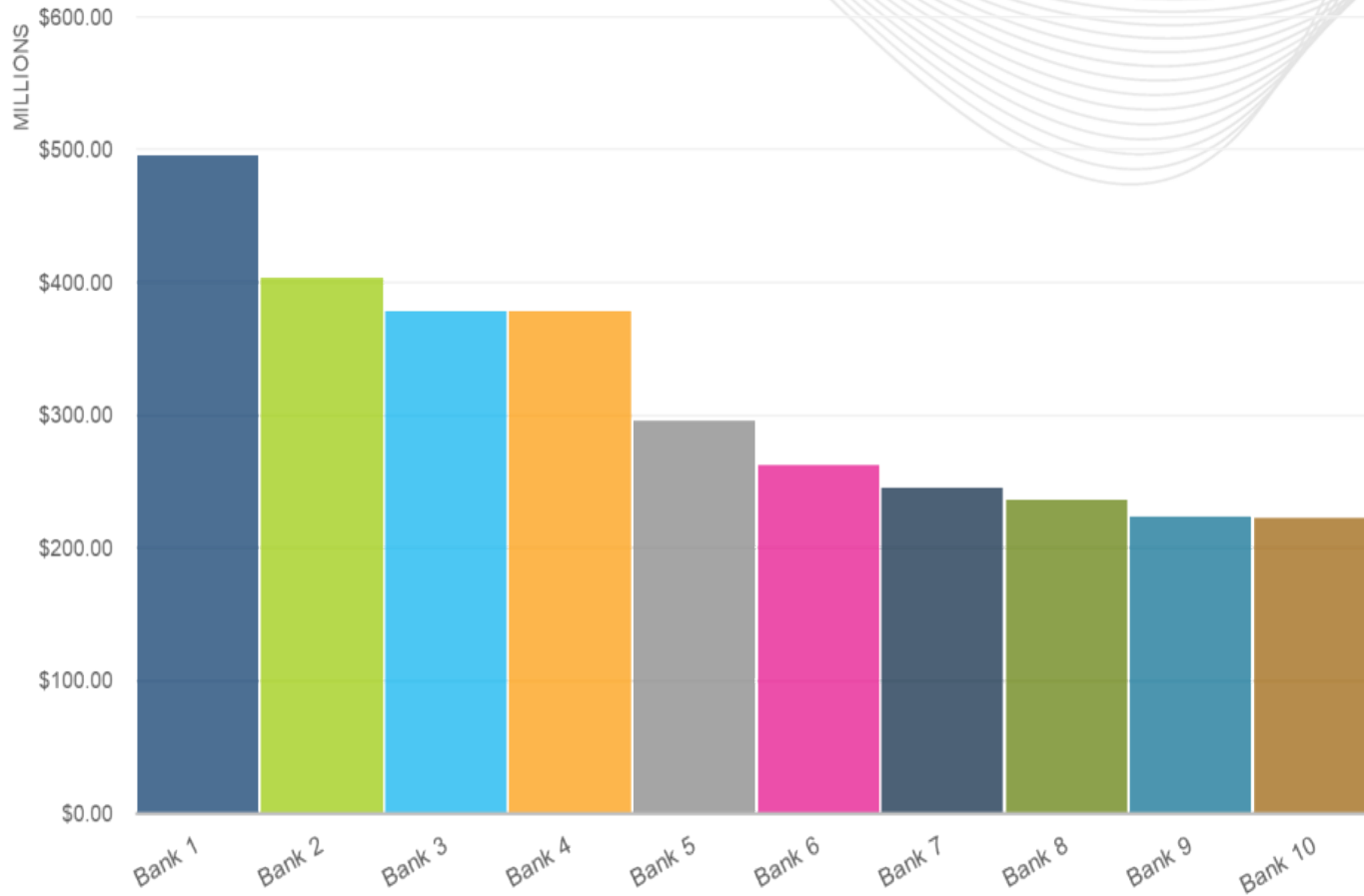
- All issuers rated A or better
- Top 10 banks issued 77% thereof (no  $\Delta$  m/m)
- 2 Banks each issued more than 10% thereof
- PJM has accepted LCs from 40 banks in total

Surety Bonds: \$270MM

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

LC Source: eCredit Bank LC Summary Report (3-30-2023)

Cash Source: PJM Treasury (3-30-2023)



Two foreign banks represent more than 10% each of the \$4.07Bn LC portfolio:

- Together, the banks represent ~\$1Bn or 22% of PJM's LC portfolio
- Both banks are rated A+ with Stable outlook or better at S&P and rated Aa2 with Stable outlook or better at Moody's.

LC Source: eCredit Bank LC Summary Report (3-30-2023)

Facilitator:  
Jim Gluck, [Jim.Gluck@pjm.com](mailto:Jim.Gluck@pjm.com)

Secretary:  
Emmy Messina,  
[Emmy.Messina@pjm.com](mailto:Emmy.Messina@pjm.com)

SME/Presenter:  
Gwen Kelly, [Gwen.Kelly@pjm.com](mailto:Gwen.Kelly@pjm.com)

## Credit Risk Metrics



## Member Hotline

(610) 666 – 8980

(866) 400 – 8980

[custsvc@pjm.com](mailto:custsvc@pjm.com)

**PROTECT THE  
POWER GRID  
THINK BEFORE  
YOU CLICK!**



Be alert to  
malicious  
phishing emails.

**Report suspicious email activity to PJM.**  
(610) 666-2244 / [it\\_ops\\_ctr\\_shift@pjm.com](mailto:it_ops_ctr_shift@pjm.com)

