

# Credit Risk Metrics

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Risk Management Committee  
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# Full Portfolio Metrics *as of 9/30/2021*

Classification	Current				Last Month				% ▲ m/m
	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Class % of Exposure	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Class % of Exposure	
Investment Grade	\$2,150,020,581	\$1,111,600,111	\$118,682,072	87%	\$2,150,020,581	\$1,024,069,253	\$119,193,279	85%	0%
Private IG	\$289,031,645	\$77,035,156	\$14,971,396	11%	\$236,570,977	\$87,455,990	\$18,871,051	13%	-21%
Sub Inv-Grade	\$4,459,375	\$0	\$1,269,657	1%	\$4,459,375	\$0	\$0	0%	-
Private SG	\$21,145,829	\$6,147,465	\$698,757	1%	\$28,122,373	\$10,253,287	\$1,697,298	1%	-59%
Not Rated	\$15,976,299	\$5,000,000	\$820,206	1%	\$15,976,299	\$5,000,000	\$719,976	1%	14%
<b>Total</b>	<b>\$2,480,633,729</b>	<b>\$1,199,782,732</b>	<b>\$136,442,088</b>	<b>100%</b>	<b>\$2,435,149,605</b>	<b>\$1,126,778,530</b>	<b>\$140,481,604</b>	<b>100%</b>	<b>-3%</b>

### Unsecured Credit Allowance (UCA):

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

### Highlights:

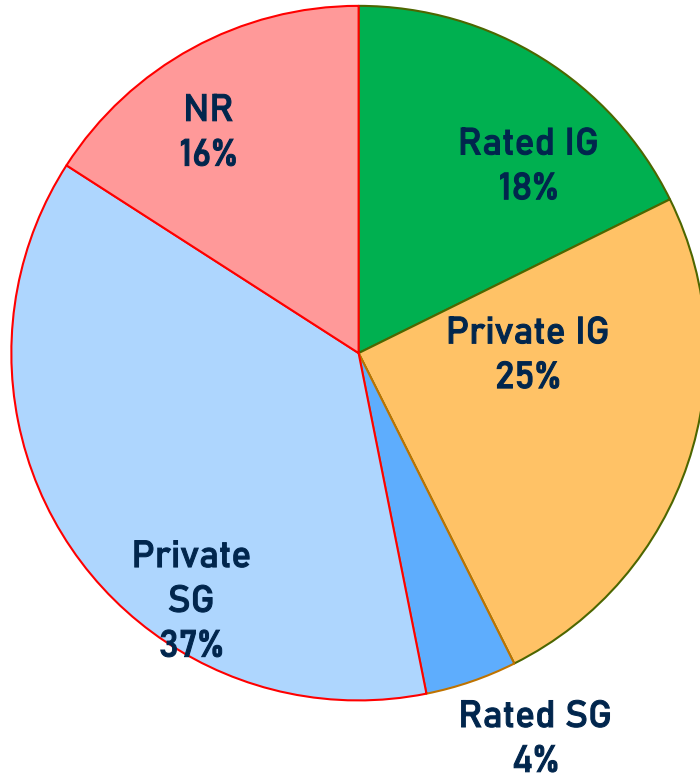
- 1 A- rated corporate family represents >10% of exposure exceeding collateral

### Net Exposure:

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

Defaulting Member Company	Amt of Default	Date of Default	Date of Cure	Type of Default
Member A	\$6,800	9/15/2021	9/15/2021	Margin Call
Member B	\$7,300	9/15/2021	9/15/2021	Margin Call

Source: eCredit member data reports (9-30-2021)



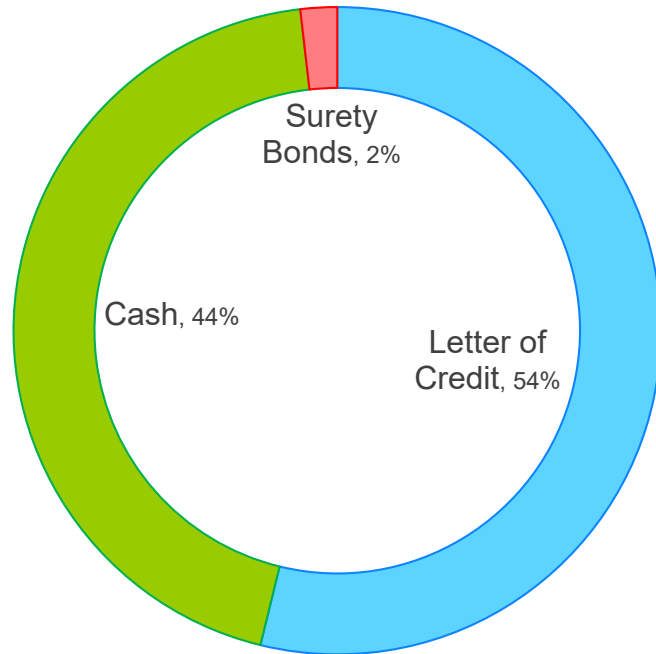
Classification	Current		Last Month		\$ ▲ m/m
	FTR Credit Req.	% of Port.	FTR Credit Req.	% of Port.	
Rated Investment-Grade	\$250,830,710	18%	\$262,717,961	19%	-5%
Private IG	\$352,941,751	25%	\$441,191,356	31%	-20%
Rated Sub Inv-Grade	\$60,478,498	4%	\$31,515,878	2%	92%
Private SG	\$527,517,671	37%	\$520,526,728	37%	1%
Not Rated	\$225,454,953	16%	\$157,349,004	11%	43%
<b>Total</b>	<b>\$1,417,223,583</b>	<b>100.00%</b>	<b>\$1,413,300,927</b>	<b>100.00%</b>	<b>0%</b>

## FTR Portfolio Metrics as of September 30

- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 49% of the portfolio is concentrated in the top 10 market participants (no  $\Delta$  m/m)
- No market participants or corporate families represent over 10% of the portfolio

Source: eCredit member data reports (9-30-2021)

# Collateral Concentrations (Total PJM) *as of 9/30/2021*



## Cash Collateral

- Total held by PJM: \$1.97Bn

## Letters of Credit

- Total held by PJM: \$2.39Bn
- All issuers rated A- or better
- 10 banks hold 77% thereof
- 2 Banks hold more than 10%
- PJM has accepted LCs from 36 banks in total

## Surety Bonds

- Total held by PJM: \$81MM
- All issuers rated A- or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (9-30-2021)  
 Cash Source: PJM Treasury (9-30-2021)

## September News:

- FERC & NERC released a preliminary report on the 2021 February freeze event. Highlights therefrom include: weatherization plan recommendations, corrective action plans for generators who fail to show during emergencies, and grid operator risk mitigation plans.

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## Credit Risk Metrics



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