Credit Risk Metrics

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Risk Management Committee

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Full Portfolio Metrics *as of 11/28/2022*

	Current				Last Month				
Classification	**Total Unsecured Credit Allowance (UCA)**	**UCA with Exposure**	**Net Exposure**	**Exposure %**	**Total Unsecured Credit Allowance (UCA)**	**UCA with Exposure**	**Net Exposure**	**Exposure %**	**% ▲**
Investment Grade	$2,143,098,520	$1,044,650,651	$165,804,238	90%	$2,130,098,520	$1,076,967,329	$143,568,606	98%	-8%
Private IG	$338,415,604	$51,633,642	$18,687,411	10%	$338,415,604	$21,003,881	$3,516,320	2%	8%
Sub Inv-Grade	$0	$0	$0	0%	$0	$0	$0	0%	0%
Private SG	$0	$0	$0	0%	$0	$0	$0	0%	0%
Not Rated	$0	$0	$268,208	0%	$0	$0	$42	0%	0%
Total	**$2,481,514,124**	**$1,096,284,293**	**$184,759,857**	**100%**	**$2,468,514,124**	**$1,097,971,210**	**$147,084,968**	**100%**	

<u>Unsecured Credit Allowance (UCA):</u>

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

<u>Highlights:</u>

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

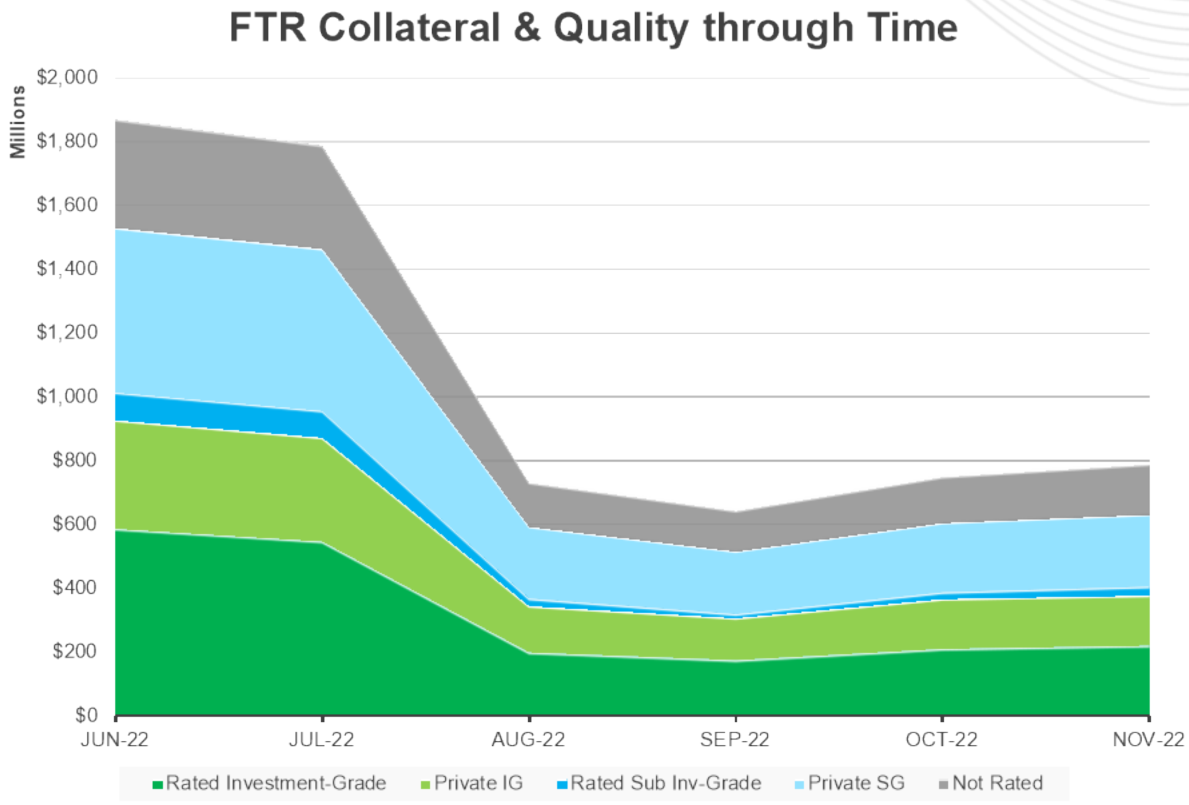
<u>Net Exposure:</u>

- 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 (11-28-2022)

FTR Portfolio Metrics *as of 11/28/2022*



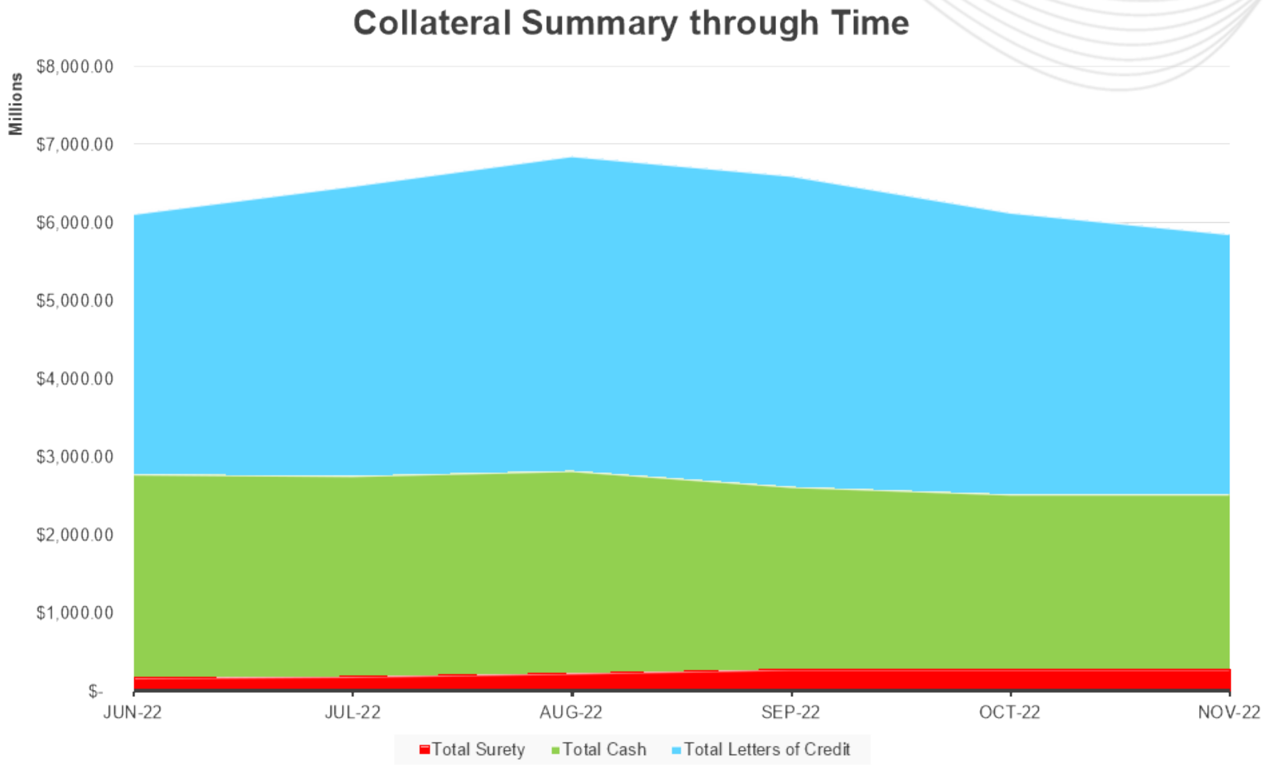
	Current		Last Month		
Classification	**FTR Credit Req.**	**% of Port.**	**FTR Credit Req.**	**% of Port.**	**m/m**
Rated Investment-Grade	$221,073,794	28%	$210,798,433	28%	0%
Private IG	$155,859,127	20%	$155,073,774	21%	-1%
Rated Sub Inv-Grade	$30,112,110	4%	$23,275,706	3%	1%
Private SG	$223,837,939	28%	$214,989,928	29%	0%
Not Rated	$157,528,242	20%	$144,262,561	19%	1%
Total	**$788,411,212**	**100.00%**	**$748,400,402**	**100.00%**	**5%**

FTR Portfolio Metrics as of October 27th:

- Requirement drop driven by HSIM adoption
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 48% Investment-grade (-1% m/m)
- 47% concentration in top 10 participants (+1% m/m)
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (11-28-2022)

Collateral Summary (Total PJM) *as of 11/28/2022*



Total Collateral held at PJM: $5.86Bn

Cash Collateral: $2.28Bn

Letters of Credit: $3.34Bn

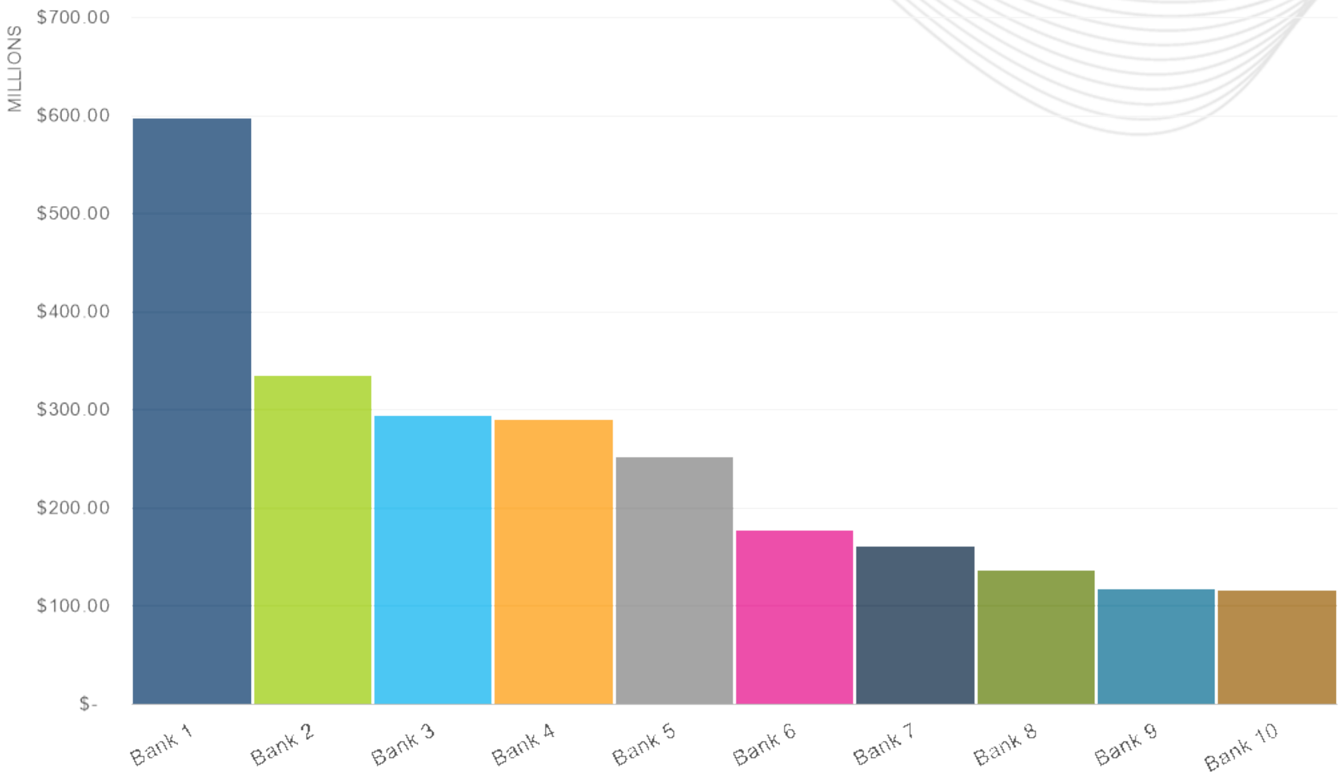
- All issuers rated A or better
- Top 10 banks issued 74% thereof (+4% m/m)
- 2 Banks each issued more than 10% thereof
- PJM has accepted LCs from 39 banks in total

Surety Bonds: $283MM

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

LC Source: eCredit Bank LC Summary Report (11-28-2022)
Cash Source: PJM Treasury (11-28-2022)

LC Concentration *as of 11/28/2022*



Two European banks represent more than 10% each of the $3.34Bn LC portfolio:

- Together, the banks represent ~$1Bn or 28% 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 (11-28-2022)

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