



Credit Risk Metrics

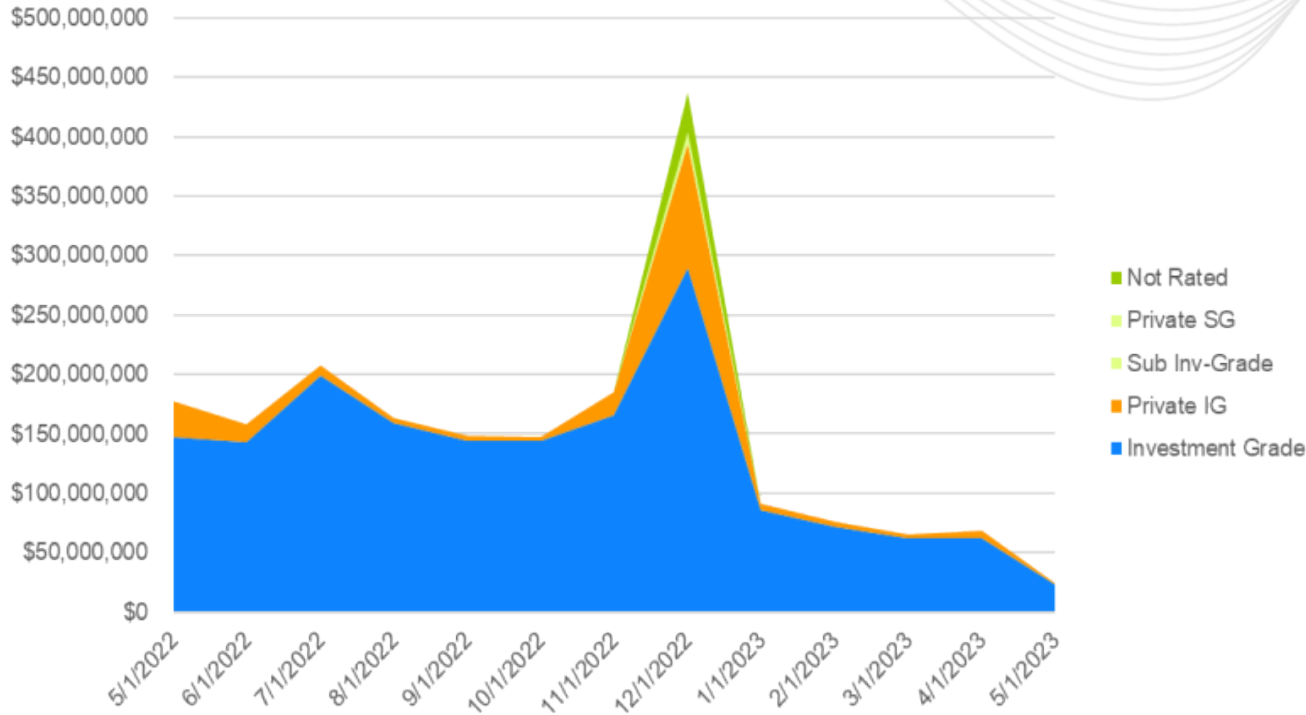
Gwen Kelly
Sr. Director, Credit Risk & Collateral Management

Risk Management Committee
June 21, 2023



Full Portfolio Metrics *as of 5/26/2023*

Full Portfolio Exposure through Time



| Classification | Total Unsecured Credit Allowance | UCA with Exposure | Net Exposure | % |
|------------------|----------------------------------|----------------------|---------------------|-------------|
| Investment Grade | \$2,147,214,667 | \$707,045,527 | \$23,531,113 | 96% |
| Private IG | \$329,075,957 | \$14,976,799 | \$1,066,343 | 4% |
| Sub Inv-Grade | \$0 | \$0 | \$0 | 0% |
| Private SG | \$0 | \$0 | \$2 | 0% |
| Not Rated | \$0 | \$0 | \$0 | 0% |
| Total | \$2,476,290,624 | \$722,022,326 | \$24,597,458 | 100% |

Highlights:

- 3 participants each represent >10% of the exposure individually
- The top 5 participants represent 62% of the outstanding exposure
- They are from different corporate families

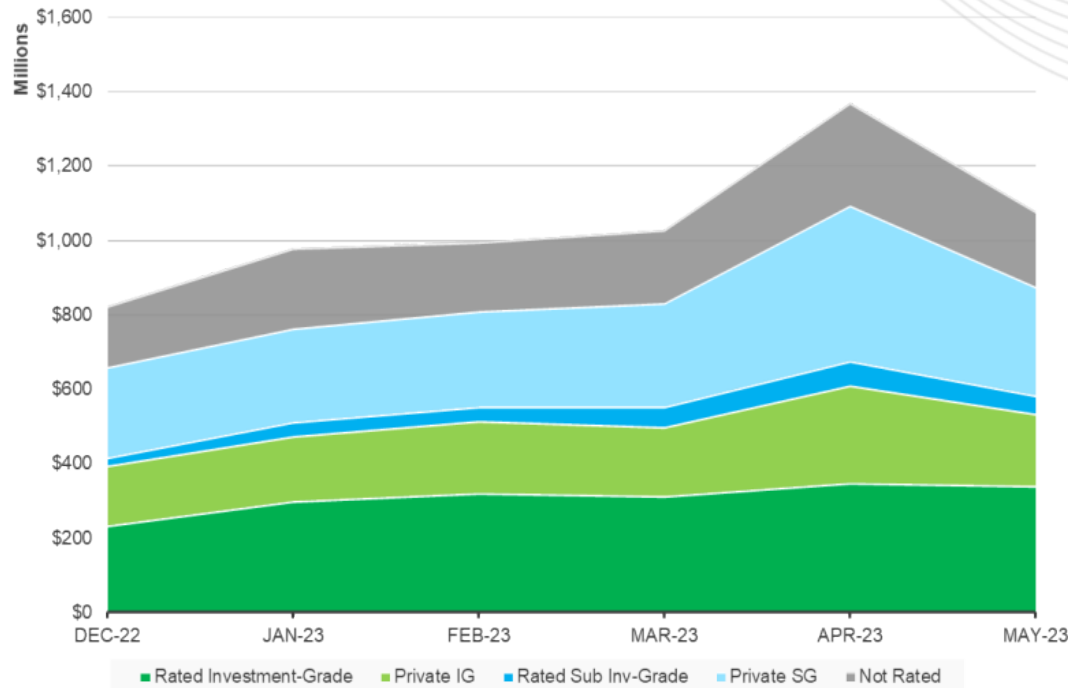
| Defaulting Member Company | Amt of Default | Date of Default | Date of Cure | Type of Default |
|---------------------------|----------------|-----------------|--------------|-----------------|
| - | - | - | - | - |

Source: eCredit member data reports (5-26-2023)



FTR Portfolio Metrics *as of 5/26/2023*

FTR Collateral & Quality through Time



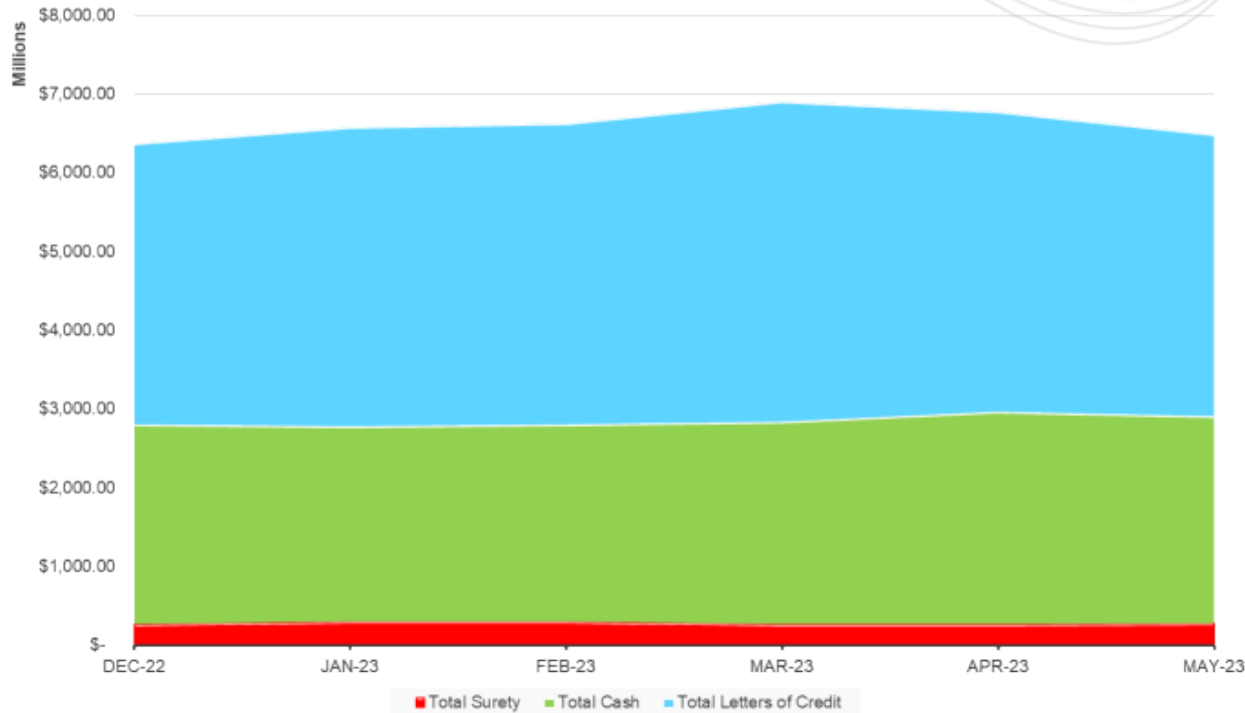
| Classification | Current | | Month/Month | | Year/Year | |
|------------------------|------------------------|-------------|------------------------|-------------|------------------------|-------------|
| | FTR Credit Req. | % | FTR Credit Req. | | FTR Credit Req. | |
| Rated Investment-Grade | \$340,692,859 | 32% | \$349,549,970 | -3% | \$482,738,148 | -29% |
| Private IG | \$194,107,219 | 18% | \$260,634,253 | -26% | \$342,009,178 | -43% |
| Rated Sub Inv-Grade | \$48,787,880 | 5% | \$66,104,524 | -26% | \$86,548,946 | -44% |
| Private SG | \$292,997,983 | 27% | \$417,035,476 | -30% | \$507,438,363 | -42% |
| Not Rated | \$200,181,748 | 19% | \$275,577,599 | -27% | \$331,383,154 | -40% |
| Total | \$1,076,767,689 | 100% | \$1,368,901,822 | -21% | \$1,750,117,789 | -38% |

FTR Portfolio Metrics as of May 26th:

- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 50% Investment-grade (+5% m/m)
- 40% concentration in top 10 participants
- No market participant represents over 10% of the portfolio

Source: eCredit member data reports (5-26-2023)

Collateral Summary through Time



Total Collateral held at PJM: \$6.49Bn

Cash Collateral: \$2.63Bn

Letters of Credit: \$3.57Bn

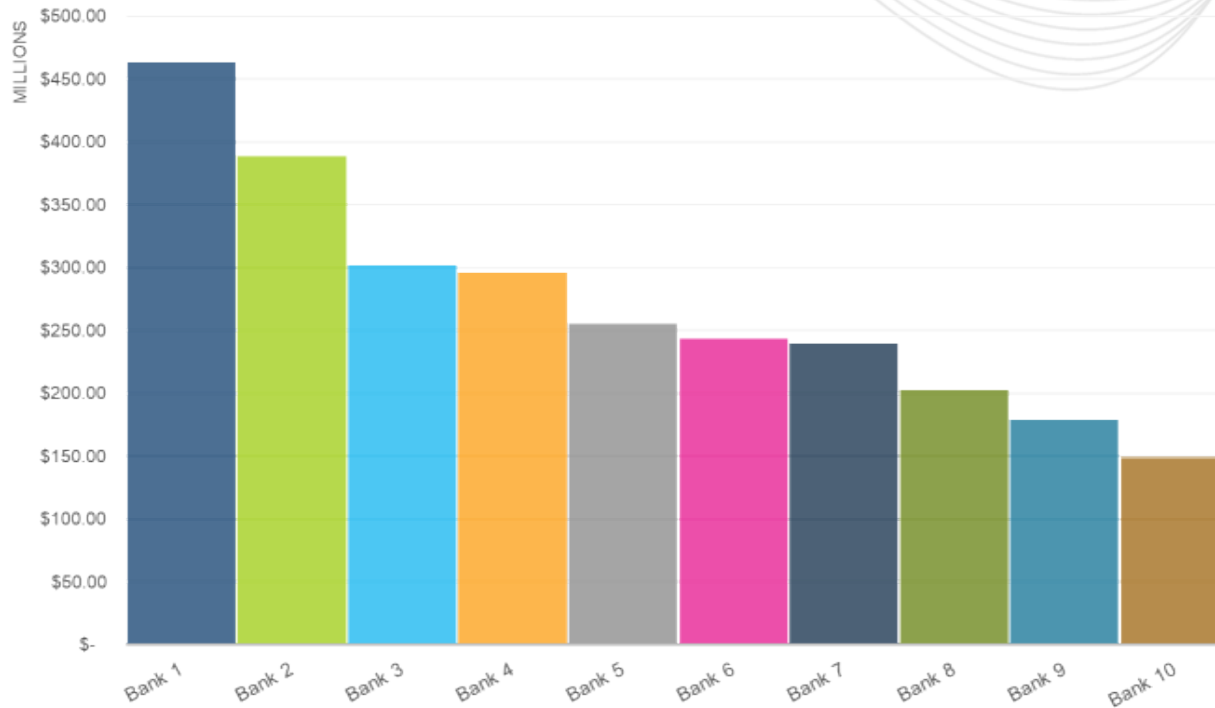
- All issuers rated A or better
- Top 10 banks issued 76% thereof
- 2 Banks each issued more than 10% thereof
- PJM has accepted LCs from 38 banks in total

Surety Bonds: \$280MM

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

LC Source: eCredit Bank LC Summary Report (5-26-2023)

Cash Source: PJM Treasury (5-26-2023)



Two European banks represent more than 10% each of the \$3.57Bn LC portfolio:

- Together, the banks represent ~\$850MM or 24% 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 (5-26-2023)

Facilitator:
Tom Zadlo,
Thomas.Zadlo@pjm.com

Secretary:
Emmy Messina,
Emmy.Messina@pjm.com

SME:
Gwen Kelly, Gwen.Kelly@pjm.com

Credit Risk Metrics



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

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

