



# Credit Risk Metrics

Phil Gootee, Credit Manager

Risk Management Committee  
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# Full Portfolio Metrics *as of 12/31/2021*

Classification	Current				Last Month				
	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Class % of Exposure	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	Class % of Exposure	% ▲ m/m
Investment Grade	\$2,148,666,139	\$1,254,609,154	\$147,850,785	90%	\$2,192,566,139	\$1,115,185,235	\$134,952,976	85%	10%
Private IG	\$282,471,240	\$91,343,921	\$15,419,232	9%	\$288,571,240	\$54,693,221	\$20,669,133	13%	-25%
Sub Inv-Grade	\$4,459,375	\$0	\$0	0%	\$4,459,375	\$0	\$0	0%	0%
Private SG	\$20,986,671	\$7,323,916	\$861,971	1%	\$21,002,650	\$7,111,002	\$1,799,315	1%	-52%
Not Rated	\$15,976,299	\$5,000,000	\$862,346	1%	\$15,976,299	\$5,000,000	\$1,094,912	1%	-21%
<b>Total</b>	<b>\$2,472,559,724</b>	<b>\$1,358,276,991</b>	<b>\$164,994,334</b>	<b>100%</b>	<b>\$2,522,575,703</b>	<b>\$1,181,989,458</b>	<b>\$158,516,336</b>	<b>100%</b>	<b>4%</b>

### Unsecured Credit Allowance (UCA):

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

### Highlights:

- PJM is exposed to 2 corporate families, who each represent ~10% of total net exposure. Both are rated A-.

### Net Exposure:

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

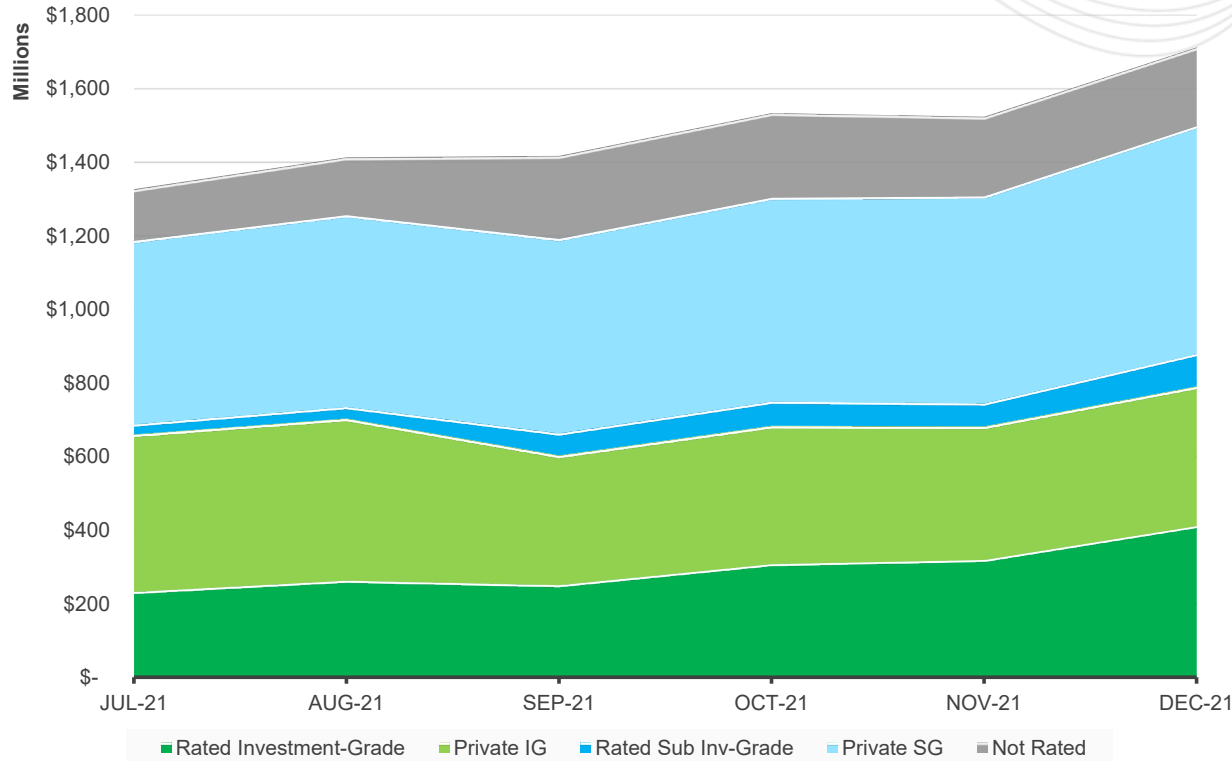
Defaulting Member Company	Amt of Default	Date of Default	Date of Cure	Type of Default
-	-	-	-	-

Source: eCredit member data reports (12-31-2021)



# FTR Portfolio Metrics *as of 12/31/2021*

## FTR Portfolio Quality through Time



Classification	Current		Last Month		
	Req.	Port.	Req.	Port.	m/m
Rated Investment-Grade	\$410,959,665	24%	\$319,460,008	21%	3%
Private IG	\$380,121,892	22%	\$363,005,414	24%	-2%
Rated Sub Inv-Grade	\$88,136,318	5%	\$63,095,298	4%	1%
Private SG	\$618,925,956	36%	\$561,801,186	37%	-1%
Not Rated	\$214,096,808	13%	\$216,744,599	14%	-2%
<b>Total</b>	<b>\$1,712,240,639</b>	<b>100.00%</b>	<b>\$1,524,106,505</b>	<b>100.00%</b>	<b>12%</b>

## FTR Portfolio Metrics as of December 31:

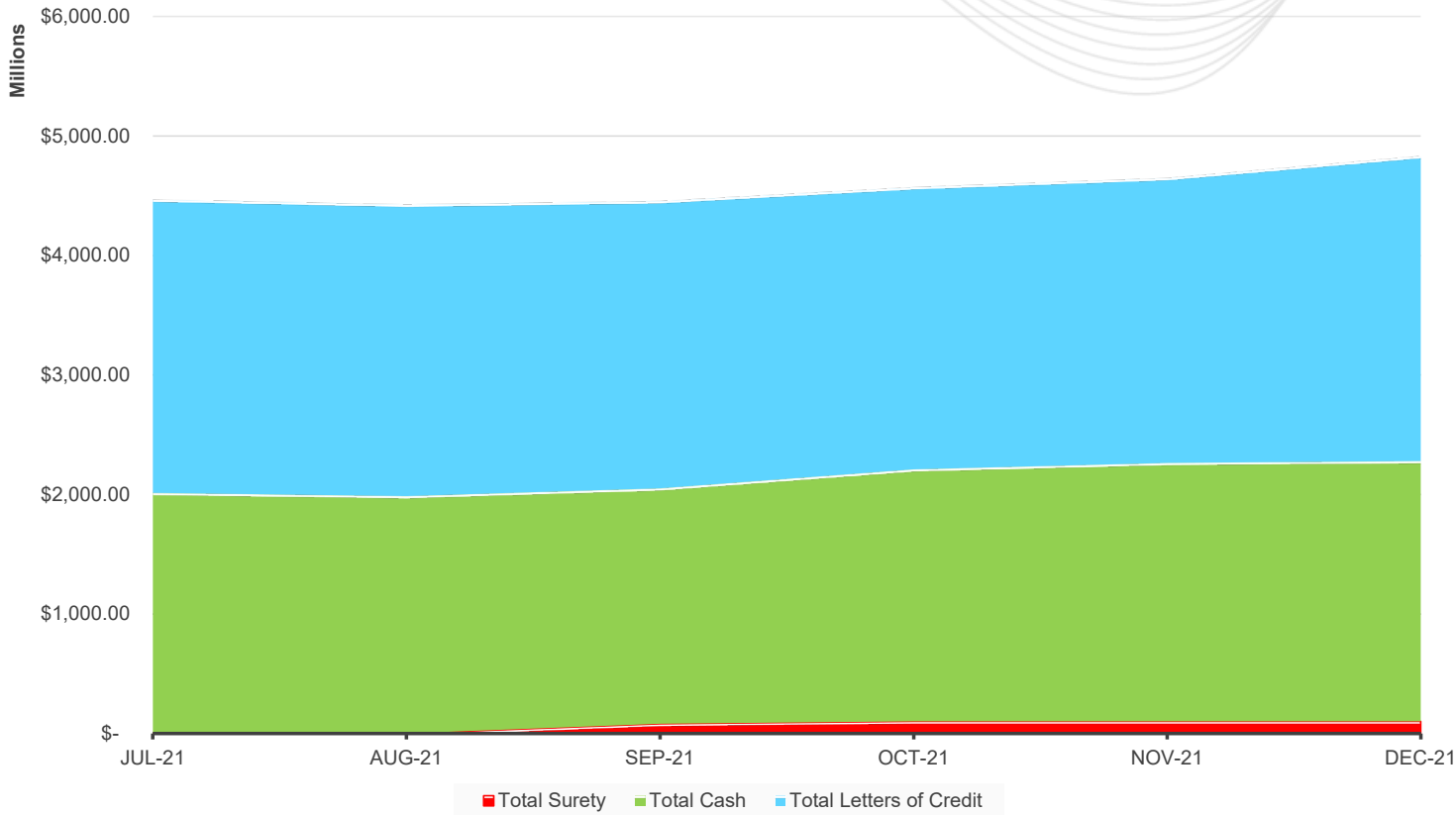
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 46% Investment-grade (+1% m/m)
- 46% concentration in top 10 participants (-1% m/m)
- No market participants or corporate families represent over 10% of the portfolio

Source: eCredit member data reports (12-31-2021)



# Collateral Summary (Total PJM) *as of 12/31/2021*

## Collateral Summary through Time



### Cash Collateral

- Total held by PJM: \$2.18Bn

### Letters of Credit

- Total held by PJM: \$2.55Bn
- All issuers rated A- or better
- Top 10 banks issued 71% thereof (-5% m/m)
- 2 Banks issued more than 10% each
- PJM has accepted LCs from 35 banks in total

### Surety Bonds

- Total held by PJM: \$101.5MM
- All issuers rated A- or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (12-31-2021)  
Cash Source: PJM Treasury (12-31-2021)

## December News:

- A PJM member was acquired in December, and fell below investment-grade as a result.
- PJM's credit team engaged the member in discussion
- Unsecured Credit Allowance was removed

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:  
Phil Gootee,  
[Phillip.Gootee@pjm.com](mailto:Phillip.Gootee@pjm.com)

## Credit Risk Metrics



## Member Hotline

(610) 666 – 8980

(866) 400 – 8980

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