



First Quarter 2024 Financial Review

Members Committee Webinar

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Intercompany charges or credits between PJM's non-FERC regulated subsidiaries and the FERC-regulated RTO	3
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Summary of cost trends	8 - 9

- For the three months ended March 31, 2024, the employees of the FERC-regulated RTO charged \$0.2 million of billing, collections and accounting services to PJM's non-FERC regulated subsidiaries.
- The credit for these services provided was recorded as a reduction in the compensation expense under PJM Tariff allocated to Schedules 9-1 through 9-4.
- For the three months ended March 31, 2024, revenues and expenses of PJM's non-FERC regulated subsidiaries totaled \$1.8 million and \$0.9 million, respectively, resulting in \$0.9 million of net income for the period.



1Q24 Expense Variances – Actual vs. Budget

<i>(dollars in millions)</i>	Actual	Budget	Variance	
			\$	%
Compensation ⁽¹⁾	51	49	2	4
Non-Employee Labor ⁽²⁾	13	14	(1)	(7)
Technology ⁽²⁾	11	11	---	---
Depreciation / Interest ⁽¹⁾	8	10	(2)	(20)
Other ⁽¹⁾	6	6	---	---
Income Taxes ⁽²⁾	---	---	---	---
Total Expenses ⁽³⁾	89	90	(1)	(1)
<p>⁽¹⁾ See additional information on expense variances on slide 5.</p> <p>⁽²⁾ For this period, there were no material variances in this expense category in total or within the components of this expense category.</p> <p>⁽³⁾ Excludes expenses related to Tariff Schedule 9-FERC.</p>				



1Q24 Material Expense Variances – Actual vs. Budget

- **Compensation** – Higher wage base (+\$1.7M) and lower project support (+\$0.6M); partially offset by timing of employee benefits (-\$0.4M)
- **Non-Employee Labor** – timing of projects (-\$1.2M) and lower contractor expense (-\$0.6M); partially offset by higher consulting expense (+\$0.9M)
- **Depreciation/Interest** – savings resulting from higher interest income (-\$1.9M)



1Q24 Capital Variances – Actual vs. Budget

<i>(dollars in millions)</i>	Actual	Budget	Variance	
			\$	%
Application Replacements/Retrofit ⁽¹⁾	4	2	2	100
Current Applications & System Reliability ⁽¹⁾	4	5	(1)	(20)
Facilities and Technology Infrastructure ⁽¹⁾	1	5	(4)	(80)
Interregional Coordination ⁽²⁾	---	---	---	---
New Products / Services ⁽²⁾	---	---	---	---
Total Capital	9	12	(3)	(25)
<p>⁽¹⁾ See additional information on capital variances on slide 7.</p> <p>⁽²⁾ For this period, there were no material variances in this capital expenditure category in total or within the components of this capital expenditure category.</p>				

- **Application Replacement**
 - (+\$1.7M) EMS Phase 2 Program: Acceleration of 2025 work
- **Current Application and System Reliability**
 - (-\$0.8M) Timing of work due to resource availability
- **Facilities and Technology Infrastructure**
 - (-\$1.3M) Timing of work due to resource availability
 - (-\$0.6M) Scope deferred to 2025 due to higher priority initiatives
 - Remainder comprised of project variances less than \$100K



Summary of Quarterly Expense Trends



