



# March 31, 2024

## Financial Statement Highlights

MC Webinar  
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# Balance Sheet Highlights – Assets

<i>(dollars in millions)</i>	Mar. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
<b>Operating cash<sup>(1)</sup></b>	331	370	(39)	(11)
<b>Receivables<sup>(2)</sup></b>	46	39	7	18

(1) Decrease in operating cash is primarily driven by a combination of:

- A decrease in member payments of market settlements at Mar. 31, 2024, as compared to Dec. 31, 2023, driven by the timing of market settlement in relation to the month-end calendar.
- An increase in excess congestion held at Mar. 31, 2024, as compared to Dec. 31, 2023. Excess congestion for the 2023/2024 planning year will be returned to members in June 2024.
- An decrease associated with the return of performance assessment interval (PAI) billing holdback.

(2) The Mar. 31, 2024 balance in receivables primarily includes unbilled service fees and excess congestion and unbilled recovery of pass-through charges, offset by the return of PAI billing holdback to members.



# Balance Sheet Highlights – Liabilities

<i>(dollars in millions)</i>	Mar. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
<b>Accounts payable<sup>(1)</sup></b>	54	30	24	80
<b>Due to members<sup>(2)</sup></b>	393	432	(39)	(9)

(1) Increase in Accounts Payable primarily reflects higher joint operating agreement payments at Mar. 31, 2024 compared to Dec. 31, 2023 and change in the accrual of the annual FERC electric program charge.

(2) The impact of: (1) timing of market settlement in relation to the calendar, and (2) excess congestion held, resulted in a \$393 million due to members balance at Mar. 31, 2024.

- \$278 million represents member payments associated with the Mar. 20<sup>th</sup> month-to-date market settlement bill (paid Apr. 2024).
- \$115 million of excess congestion accumulated planning period to date, to be returned to members at the end of the planning period.



# Income Statement Highlights

<i>(dollars in millions)</i>	3-months ended	3-months ended	CHANGE	
	Mar. 31, 2024	Mar. 31, 2023	Dollar	Percentage
<b>Compensation expense<sup>(1)</sup></b>	49	44	5	11
<b>Outside services<sup>(2)</sup></b>	17	14	3	21
<b>Depreciation expense<sup>(3)</sup></b>	10	9	1	11

- (1) Increase in compensation expense reflects higher head count period over period and normal merit increases reflected in 2024 results. In line with higher headcount and employee base salaries, the employer cost of benefits increased during first quarter 2024.
- (2) Increase in outside services reflects higher professional services expense, including managed service support, external legal support and rising costs of telecommunications.
- (3) Depreciation expense increased period over period due to a larger fixed asset based subject to depreciation. PJM's Energy Management System upgrade project was placed into service in May 2023 and will be depreciated over approximately 5 years.



# Cash Flow Statement Highlights

<i>(dollars in millions)</i>	Mar. 31, 2024	Mar. 31, 2023	CHANGE	
			Dollar	Percentage
<b>Operating cash flows<sup>(1)</sup></b>	8	(38)	46	121
<b>Financing cash flows<sup>(2)</sup></b>	(78)	(326)	248	76

(1) Operating cash flow increased primarily due to the change in receivable position from Dec. 2023 to Mar. 2024 as compared to Dec. 2022 to Mar. 2023. The change in receivables period over period reflects the absence of year-end 2022 unique items in comparison period results.

(2) The increase in cash provided by financing activities from Dec. 2023 to Mar. 2024 as compared to Dec. 2022 to Mar. 2023 is primarily due to the change (increase) in the due to members position period over period. In 2023 results, PJM reported a decrease in due to members reflecting unique items associated with Dec. 31, 2022 results.

**Footnote 9** provides a summary of ongoing legal and regulatory matters.