



December 31, 2024 Financial Statement Highlights

Finance Committee
March 24, 2025

Megan Heater
Controller – Finance



Balance Sheet Highlights – Assets

	Dec. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
<i>(dollars in millions)</i>				
Operating cash⁽¹⁾	91	370	(279)	(75)
Receivables⁽²⁾	8	39	(31)	(79)

(1) Decrease in operating cash is primarily driven by a decrease in member payments and change in excess congestion held position.

- At Dec. 31, 2024, PJM held \$92.6 million of member payments, primarily associated with the Dec. 25th month-to-date market settlement bill (paid Jan. 2025). At Dec. 31, 2023, PJM held \$375.2 million of member payments, primarily associated with the Dec. 20th month-to-date market settlement bill (paid Jan. 2024).
- At Dec. 31, 2024 PJM held \$1.5 million in excess congestion, a \$26.1 million decrease as compared to Dec. 31, 2023. Planning year excess congestion is returned to members in the month of June immediately following the end of the planning year.

(2) The Dec. 31, 2024 balance in receivables includes approximately \$12.0 million of Schedule 9 billings, \$20.2 million of pass through charges and \$1.0 million of PJM unregulated subsidiary receivables (PJM Connex, LLC), offset by \$24.7 million of excess congestion returned in the Dec. market settlement invoice.

The decrease in receivables period over period primarily reflects change in excess congestion position year over year.



Balance Sheet Highlights – Assets

(dollars in millions)

	Dec. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
Projects in development⁽¹⁾	58	44	14	32

(1) Increase in projects in development is representative of work performed on capital projects during 2024, offset by the placement of assets into service during the year ended Dec. 31, 2024.

2024 spend included support for the following significant projects: nGem, Energy Management System phase 2 work, Data & Analytics program, facilities generator and uninterruptible power system replacements.



Balance Sheet Highlights – Liabilities

(dollars in millions)	Dec. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
Due to members⁽²⁾	95	432	(337)	(78)

(1) The impact of: (1) timing of market settlement in relation to the calendar and (2) excess congestion held resulted in a \$95 million due to members balance at Dec. 31, 2024.

- \$92.6 million represents member prepayments associated with the Dec. 25th month-to-date market settlement bill (paid Jan. 2025).
- \$1.5 million of excess congestion accumulated planning period to date, to be returned to members at the end of the planning period.



Income Statement Highlights

(dollars in millions)

	Dec. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
Software licenses and fees⁽¹⁾	29	25	4	16
Compensation expense⁽²⁾	183	165	18	11

- (1) The increase in software licenses and fees expense primarily reflects higher computer software licenses, software maintenance and software subscriptions year over year. No significant change in makeup of licenses; the increase is primarily driven on cost increase.
- (2) 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 2024.

Financial results for the year ended Dec. 31, 2024 included accounting for the impact of a dividend from PJM Connex, LLC to PJM Interconnection, LLC. The \$1.2 million dividend was made in accordance with the dividend agreement in place between the entities. While the dividend eliminates upon consolidation, the dividend resulted in lower collections from PJM members.



Cash Flow Statement Highlights

(dollars in millions)	Dec. 31, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
Financing cash flows⁽¹⁾	(107)	(661)	554	(84)

(1) The increase in cash provided by financing activities from Dec. 2023 to Dec. 2024 as compared to Dec. 2022 to Dec. 2023 is primarily due to the change in the due to member position and change in deposits balance period over period.

- In 2023 results, PJM reported a \$691 million decrease in due to members resulting primarily from the absence of Winter Storm Elliott member prepayments in Dec. 2023 results.



Key Financial Disclosure Highlights

Footnote 11 provides a summary of ongoing legal and regulatory matters.