

First Quarter 2025 Financial Review

Members Committee Webinar

June 25, 2025

Jim Snow

Topic	Slide(s)
Intercompany charges or credits between PJM's non-FERC regulated subsidiaries and the FERC-regulated RTO	3
Material variances in revenues, net operating expense and capital budget vs. actual results	4 - 7
Summary of cost trends	8 – 9

- For the three months ended March 31, 2025, 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, 2025, revenues and expenses of PJM's non-FERC regulated subsidiaries totaled \$2.4 million and \$1.1 million, respectively, resulting in \$1.3 million of net income for the period.

1Q25 Expense Variances – Actual vs. Budget

(dollars in millions)	Actual	Budget	Variance	
			\$	%
Compensation ⁽²⁾	55	55	---	---
Non-Employee Labor ⁽¹⁾	14	15	(1)	(7)
Technology ⁽²⁾	13	13	---	---
Depreciation / Interest ⁽¹⁾	8	11	(3)	(27)
Other ⁽¹⁾	5	7	(2)	(29)
Income Taxes ⁽²⁾	---	---	---	---
Total Expenses ⁽³⁾	95	101	(6)	(6)
<p>⁽¹⁾ See additional information on expense variances on slide 7.</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>				

1Q25 Material Expense Variances – Actual vs. Budget

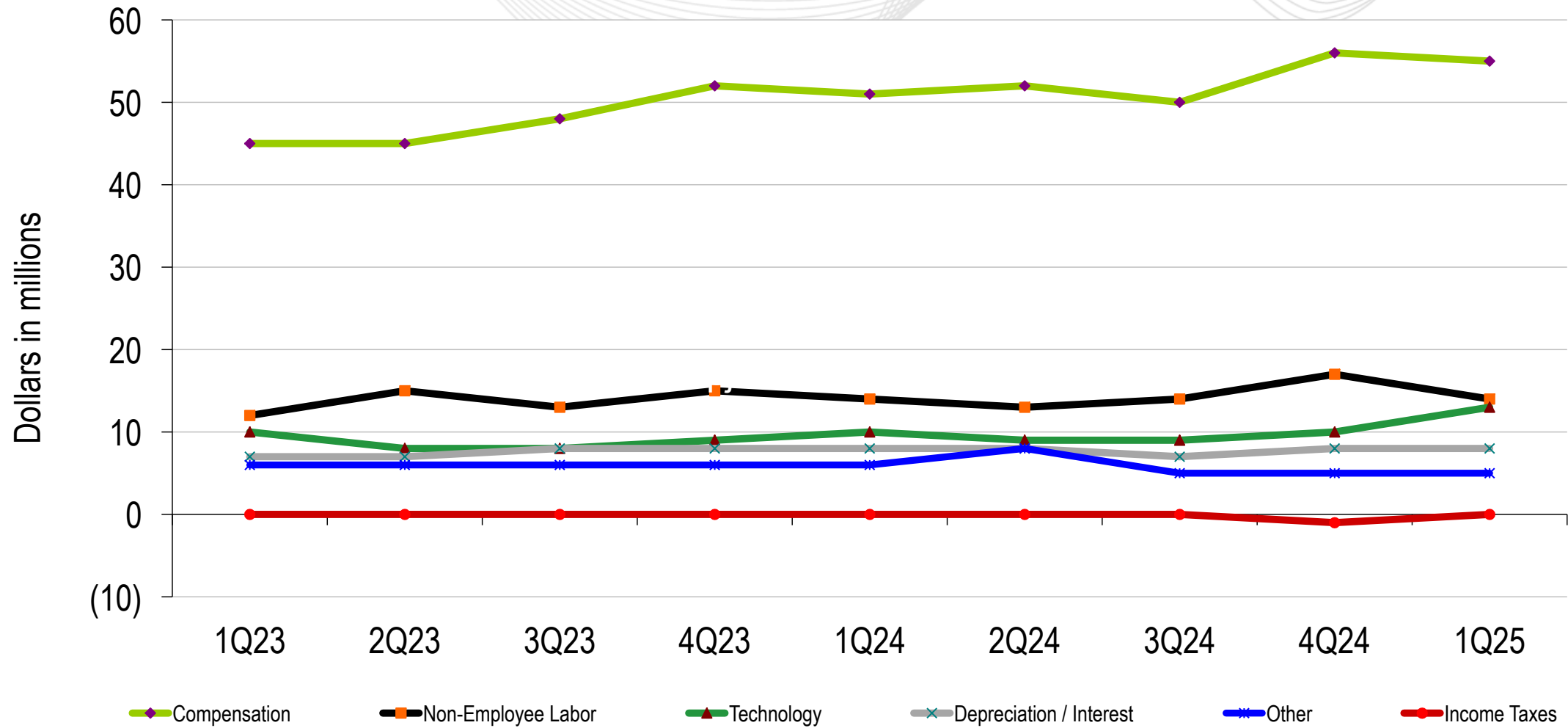
- **Non-Employee Labor** – timing of contractor expense (-\$0.3M), external consulting fees (-\$0.2), and project expense (-\$0.2M)
- **Depreciation/Interest** – savings resulting from higher interest income (-\$1.9M) and timing of depreciation expense (-\$1.1M)
- **Other** – savings resulting from FERC ordered disgorgements (-\$0.5M); timing of employee expenses (-\$0.5M) and facilities expense (-\$0.4M)

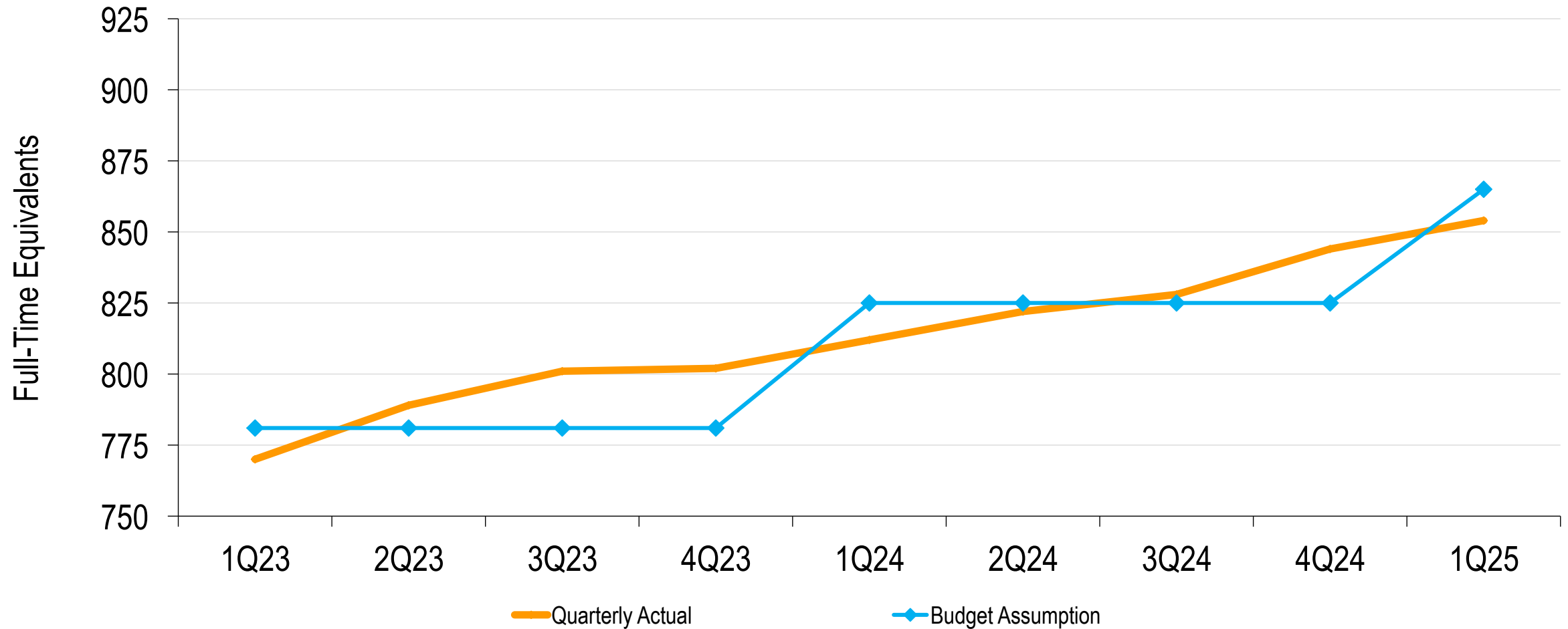
1Q25 Capital Variances – Actual vs. Budget

(dollars in millions)	Actual	Budget	Variance	
			\$	%
Application Replacements/Retrofit ⁽¹⁾	4	6	(2)	(33)
Current Applications & System Reliability ⁽¹⁾	3	4	(1)	(25)
Facilities and Technology Infrastructure ⁽¹⁾	2	4	(2)	(50)
Interregional Coordination ⁽²⁾	---	---	---	---
New Products / Services ⁽²⁾	1	1	---	---
Total Capital	10	15	(5)	(33)
⁽¹⁾ See additional information on capital variances on slide 9. ⁽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.				

- **Application Replacement**
 - (-\$2.0M) Timing, schedule shift of capital work
- **Current Application and System Reliability**
 - (-\$1.4M) Timing, schedule shift of capital work
 - (+\$0.4M) Timing of 2024 working shifting into 2025
- **Facilities and Technology Infrastructure**
 - (-\$0.9M) Timing equipment purchases and associated installation
 - (-\$0.8M) Acceleration of purchases into 2024
 - (-\$0.3M) Scope deferred to 2026 due to higher priority initiatives

Summary of Quarterly Expense Trends





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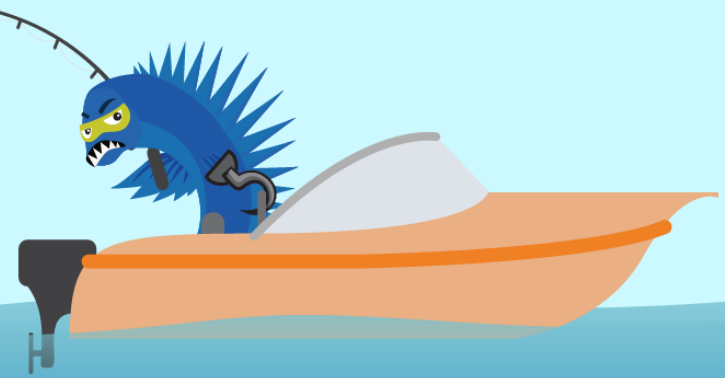
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