



# June 30, 2024

## Financial Statement Highlights

Members Committee Webinar  
September 23, 2024

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Controller – Finance



# Balance Sheet Highlights – Assets

<i>(dollars in millions)</i>	Jun. 30, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
<b>Operating cash<sup>(1)</sup></b>	381	370	11	3
<b>Receivables<sup>(2)</sup></b>	40	39	1	3

- (1) Operating cash at Jun. 30, 2024 primarily represents member payments associated with the Jun. 19<sup>th</sup> month-to-date market settlement bill (paid Jul. 2024). No significant driver in the change in operating cash period over period.
- (2) The Jun. 30, 2024 balance in receivables primarily includes unbilled service fees and excess congestion and unbilled recovery of pass-through charges.



# Balance Sheet Highlights – Liabilities

<i>(dollars in millions)</i>	Jun. 30, 2024	Dec. 31, 2023	CHANGE	
			Dollar	Percentage
<b>Accounts payable<sup>(1)</sup></b>	68	30	38	127
<b>Due to members<sup>(2)</sup></b>	418	432	(14)	(3)

(1) Increase in Accounts Payable primarily reflects the 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 \$418 million due to members balance at Jun. 30, 2024.

- \$414 million represents member payments associated with the Jun. 19<sup>th</sup> month-to-date market settlement bill (paid Jul. 2024).
- \$4 million of excess congestion accumulated planning period to date, to be returned to members at the end of the planning period.

<i>(dollars in millions)</i>	6-months ended	6-months ended	CHANGE	
	Jun. 30, 2024	Jun. 30, 2023	Dollar	Percentage
<b>Compensation expense<sup>(1)</sup></b>	99	87	12	14
<b>Depreciation expense<sup>(2)</sup></b>	20	18	2	11
<b>Other expense<sup>(3)</sup></b>	9	7	2	29

- (1) Increase in compensation expense reflects higher head count period over period and normal merit increases reflected in 2024 results.
- (2) 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.
- (3) Increase in other expense reflects higher insurance premiums and higher employee training, travel and meals expenses.

<i>(dollars in millions)</i>	6-months ended	6-months ended	CHANGE	
	Jun. 30, 2024	Jun. 30, 2023	Dollar	Percentage
<b>Operating cash flows<sup>(1)</sup></b>	45	95	(50)	(53)
<b>Financing cash flows<sup>(2)</sup></b>	13	(950)	963	101

- (1) Operating cash flow decreased primarily due to the change in receivable position from Dec. 2023 to Jun. 2024 as compared to Dec. 2022 to Jun. 2023.
- The 2023 change in receivables period over period reflects the absence of year-end 2022 unique items in Jun. 2023 results, including Winter Storm Elliott charges.
- (2) The increase in cash provided by financing activities from Dec. 2023 to Jun. 2024 as compared to Dec. 2022 to Jun. 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 \$785 million decrease in due to members resulting primarily from the absence of Winter Storm Elliott member prepayments in Jun 2023 results.

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