



Proposed 2024 Budget

MC Informational Webinar
September 18, 2023
Jim Snow

- Current FERC-approved interconnection processes remain the same, with interconnection study costs billed directly to developers
- PJM is a member of Reliability First (RFC) and SERC Reliability (SERC) regions. RFC and SERC bill their members via separate rate mechanisms
- Staffing budgeted at an average of 825 full time equivalents (FTEs)
- Excludes provisions for any regulatory fines or penalties.
- Market Monitoring costs are excluded from PJM's operating costs and are collected via a separate rate mechanism.
- Organization of PJM States (OPSI) costs, Consumer Advocates of PJM States (CAPS) and FERC Fees are collected via separate schedules in the Tariff and billed directly to customers/members in PJM.
- Interest rate for working capital funding is 6.25%.



Expense Summary by Financial Category

Financial Category (dollars in millions)	2023 Forecast ¹	2024 Proposed Budget	Delta	
			\$	%
Compensation	184	197	13	7
Non-employee Labor	59	61	2	3
Technology	36	41	5	14
Depreciation/Interest	35	39	4	11
Other	26	26	---	--
Income Taxes	1	1	---	---
Total Expenses	341	365	24	7

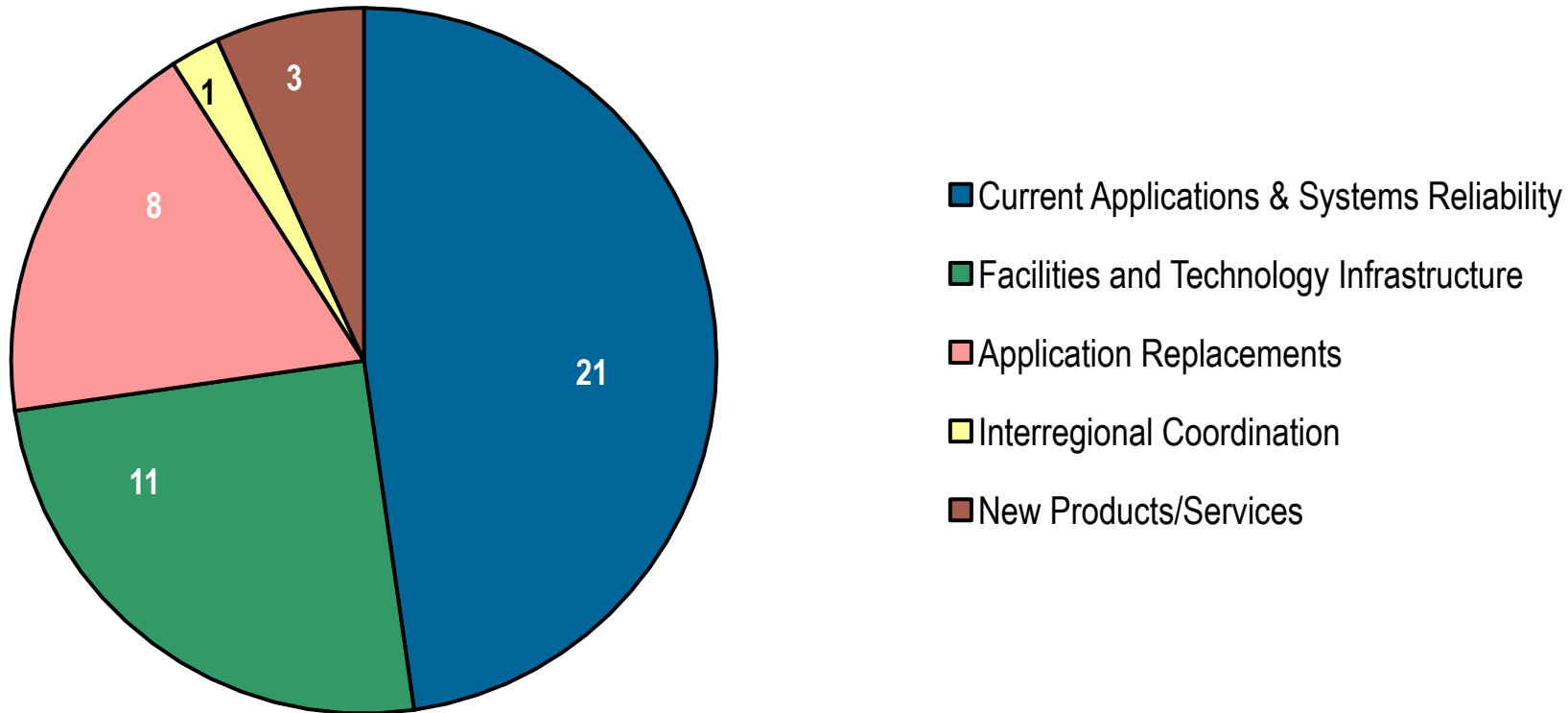
(1) Represents second quarter 2023 forecast



Comparison of 2023 Forecast and Proposed 2024 Budget

<i>(dollars in millions)</i>		Key Change
2023 Forecast	341	
Compensation	13	Higher staff levels, benefits cost inflation, and merit increase
Technology	4	Impact of inflation and increase in software license base
Depreciation / Interest	5	Increased depreciation and higher interest rates
Non-Employee Labor	2	Inflation, increased contractor support in credit risk, and higher project expense
Proposed 2024 Budget	365	

Total = \$44 million



Date	Group	Topics
July 27	Finance Committee	Preliminary 2024 Budget and Projects & Multi-year projections
August 8	Planning Committee	Preliminary 2024 Projects
August 9	Market Implementation Committee	Preliminary 2024 Projects
August 10	Operating Committee	Preliminary 2024 Projects
August 31	Finance Committee	Proposed 2024 Budget and Projects
September 19	Finance Committee Member Representatives	Recommendation Letter to PJM Board of Managers
October 3	Board of Managers	Consideration of Proposed 2024 Budget

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