



# Electric Utility Department

## **FY 24 Quarterly Update** **(Ending June 30, 2024)**

City Council Meeting  
November 20, 2024

## Electric Utility Fund Cash Flow Summary (June 30, 2024)

|                                  | Budget             | Actual            | % of Budget |
|----------------------------------|--------------------|-------------------|-------------|
| <b>Revenue</b>                   |                    |                   |             |
| Sales Revenues                   | 91,829,640         | 85,780,477        | 93%         |
| Development Impact Fees          | 233,000            | 327,594           | 141%        |
| Other Revenues                   | 5,570,130          | 8,419,543         | 151%        |
| <b>Total Revenues</b>            | <b>97,632,770</b>  | <b>94,527,614</b> | <b>97%</b>  |
| <b>Expenses</b>                  |                    |                   |             |
| Purchased Power                  | 57,918,890         | 52,721,277        | 91%         |
| Non Power                        | 20,538,090         | 17,249,997        | 84%         |
| Capital Projects                 | 13,998,052         | 9,015,790         | 64%         |
| Debt Service                     | 4,179,880          | 4,179,875         | 100%        |
| Cost of Service                  | 3,146,248          | 3,146,248         | 100%        |
| PILOT (Transfer to General Fund) | 7,636,350          | 7,636,350         | 100%        |
| <b>Total Expenses</b>            | <b>107,417,510</b> | <b>93,949,537</b> | <b>87%</b>  |

|  |  |                   |
|--|--|-------------------|
| <b>Beginning Cash Balance (7/1/23)</b> |  | <b>40,402,563</b> |
| <b>Ending Cash Balance (6/30/24)*</b>  |  | <b>36,950,098</b> |
| <b>Reserve Policy Target</b>           |  | <b>28,190,044</b> |
| <b>% of Target</b>                     |  | <b>131%</b>       |

\*Preliminary unaudited



## Electric Utility Funds Cash Balances (June 30, 2024)

| Operating / Capital Funds             | \$ 18,477,460        |
|---------------------------------------|----------------------|
| Low Carbon Fuel Standard Fund (LCFS)* | \$ 94,452            |
| Public Benefits Fund                  | \$ 7,850,705         |
| Impact Fee Fund                       | \$ 901,162           |
| Solar Surcharge Fund                  | \$ 349,738           |
| Greenhouse Gas Fund                   | \$ 9,276,581         |
| <b>Total</b>                          | <b>\$ 36,950,098</b> |

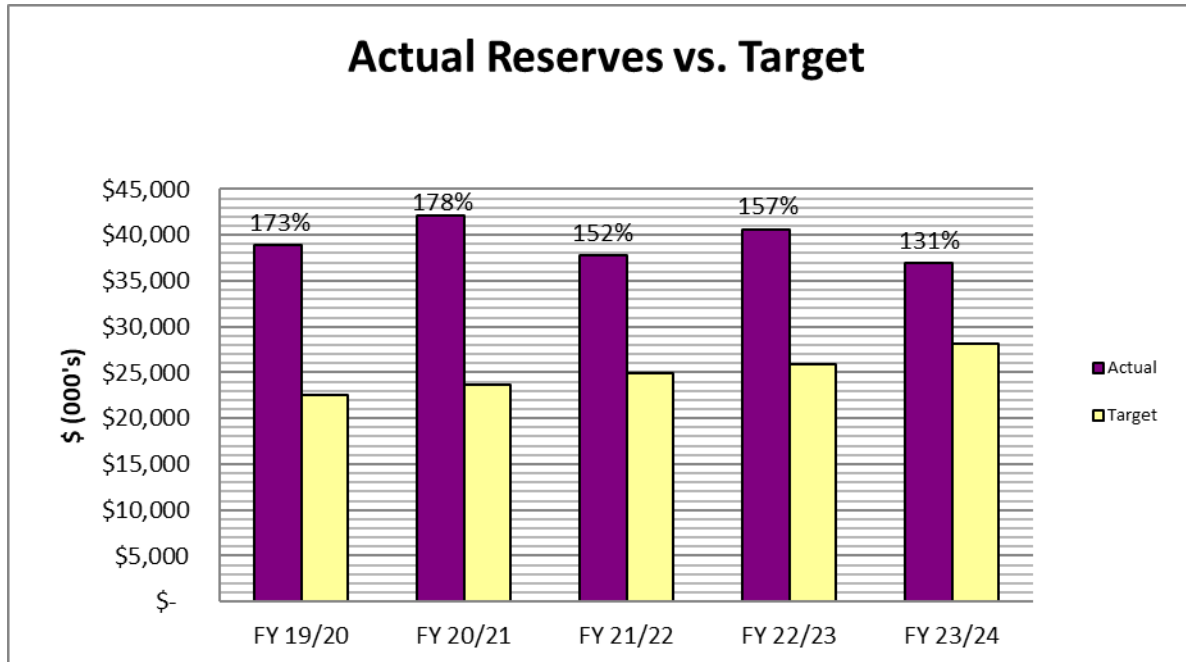
## Electric Utility Reserve Policy

(June 30, 2024)

| Purpose           | Target*       | Actual**      |
|-------------------|---------------|---------------|
| Operating Reserve | \$ 28,190,044 | \$ 36,950,098 |

\*Includes change approved by Council to remove Capital Reserve Target and purchase spare transformer

\*\*Includes cash held locally and at NCPA



*Cash balances support City Council approved reserve requirements and provide funds for pay as you go Capital Improvement Projects.*

## Capital Improvement Project 5-Year Spending Plan

| Project   | FY 23-24<br>Actual* | FY 24-25<br>Approved<br>Budget | FY 25-26<br>Forecast | FY 26-27<br>Forecast | FY 27-28<br>Forecast |
|---|---------------------|--------------------------------|----------------------|----------------------|----------------------|
| Distribution Capacity Program                               | \$721,661           | \$230,000                      | \$0                  | \$0                  | \$0                  |
| Underground / Overhead Maint                                | \$1,560,055         | \$835,000                      | \$835,000            | \$835,000            | \$835,000            |
| Streetlight Maintenance / Repair                            | \$44,114            | \$100,000                      | \$100,000            | \$100,000            | \$100,000            |
| LED Streetlight Improvements                                | \$28,217            | COMPLETE                       | COMPLETE             | COMPLETE             | COMPLETE             |
| 230 kV Interconnection Project**                            | \$13,745            | \$1,525,000                    | \$25,000             | \$25,000             | \$25,000             |
| Substation Maint / Improvements                             | \$2,491,099         | \$405,000                      | \$370,000            | \$100,000            | \$100,000            |
| Building/Security Improvements                              | \$6,999             | \$100,000                      | \$0                  | \$0                  | \$0                  |
| Work for Others (includes State<br>of CA Natural Gas Plant) | \$2,616,917         | \$750,000                      | \$750,000            | \$750,000            | \$750,000            |
| Vehicles & Equipment  | \$1,532,983         | \$0                            | \$713,000            | \$500,000            | \$260,000            |
| <b>Total Projects</b>                                       | <b>\$9,015,790</b>  | <b>\$3,945,000</b>             | <b>\$2,793,000</b>   | <b>\$2,310,000</b>   | <b>\$2,070,000</b>   |

\* Preliminary unaudited; rollover of unspent funds from FY 24 will be included in FY 25 Q1 report

\*\*Includes planning and design costs only – construction costs will be debt financed; FY 25 includes down payment for long lead time equipment

## 5-Year Financial Forecast Looking Ahead

|                       | <b>FY 23-24<br/>Actual</b> | <b>FY 24-25<br/>Budget</b> | <b>FY 25-26<br/>Forecast</b> | <b>FY 26-27<br/>Forecast</b> | <b>FY 27-28<br/>Forecast</b> |
|-----------------------|----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| <b>Available Cash</b> | <b>\$36,950,098</b>        | <b>\$38,328,918</b>        | <b>\$39,189,371</b>          | <b>\$40,065,371</b>          | <b>\$40,928,657</b>          |
| Days Cash             | 152                        | 144                        | 145                          | 145                          | 145                          |
| <b>Reserve Target</b> | <b>\$28,190,044</b>        | <b>\$30,601,460</b>        | <b>\$31,683,832</b>          | <b>\$32,206,672</b>          | <b>\$32,741,188</b>          |
| <b>% of Target</b>    | <b>131%</b>                | <b>125%</b>                | <b>124%</b>                  | <b>124%</b>                  | <b>125%</b>                  |

- Forecast assumes funding of all budgeted full-time positions in future years
- Forecast will be updated after final FY 24 audit
- Includes 2023 and 2024 rate adjustments approved by Council

## Power Sales (June 30, 2024)

| Power Sales (kWh)                 |                    |                    |
|-----------------------------------|--------------------|--------------------|
| Customer Class                    | Budget             | Actual             |
| Residential                       | 161,895,894        | 162,306,642        |
| Small Commercial                  | 161,927,733        | 164,070,893        |
| Large Commercial/Small Industrial | 49,485,468         | 44,194,575         |
| Industrial                        | 66,159,348         | 71,854,849         |
| <b>Total</b>                      | <b>439,468,443</b> | <b>442,426,959</b> |

| Revenue (\$)                      |                      |                     |                             |
|-----------------------------------|----------------------|---------------------|-----------------------------|
| Customer Class                    | Budget               | Actual              | Average Base Rate (w/ECA)   |
| Residential                       | \$ 37,919,850        | \$35,433,389        | \$ 0.1809 (\$0.2183)        |
| Small Commercial                  | \$ 35,484,660        | \$32,263,749        | \$ 0.1600 (\$0.1966)        |
| Large Commercial/Small Industrial | \$ 9,179,360         | \$ 8,034,049        | \$ 0.1435 (\$0.1818)        |
| Industrial                        | \$ 9,245,770         | \$10,049,290        | \$ 0.1040 (\$0.1399)        |
| <b>Total</b>                      | <b>\$ 91,829,640</b> | <b>\$85,780,477</b> | <b>\$ 0.1570 (\$0.1939)</b> |



## ECA Revenue

(June 30, 2024)

| Customer Class                      | Total (\$)           |
|-------------------------------------|----------------------|
| Residential                         | \$ 6,066,058         |
| Small Commercial                    | \$ 6,007,147         |
| Large Commercial / Small Industrial | \$ 1,691,115         |
| Industrial                          | \$ 2,573,871         |
| <b>Total Revenue</b>                | <b>\$ 16,338,191</b> |



## Electric Utility Fund Operating Results (June 30, 2024)

|                                 | Budget               | Actual               | % of Budget |
|---------------------------------|----------------------|----------------------|-------------|
| Personnel                       | \$ 13,327,530        | \$ 11,400,589        | 86%         |
| Supplies, Materials, Services   | \$ 5,496,060         | \$ 4,641,969         | 85%         |
| Other Payments                  | \$ 1,631,100         | \$ 1,128,489         | 69%         |
| Utilities                       | \$ 83,400            | \$ 78,950            | 95%         |
| <b>Total Operating Expenses</b> | <b>\$ 20,538,090</b> | <b>\$ 17,249,997</b> | <b>84%</b>  |

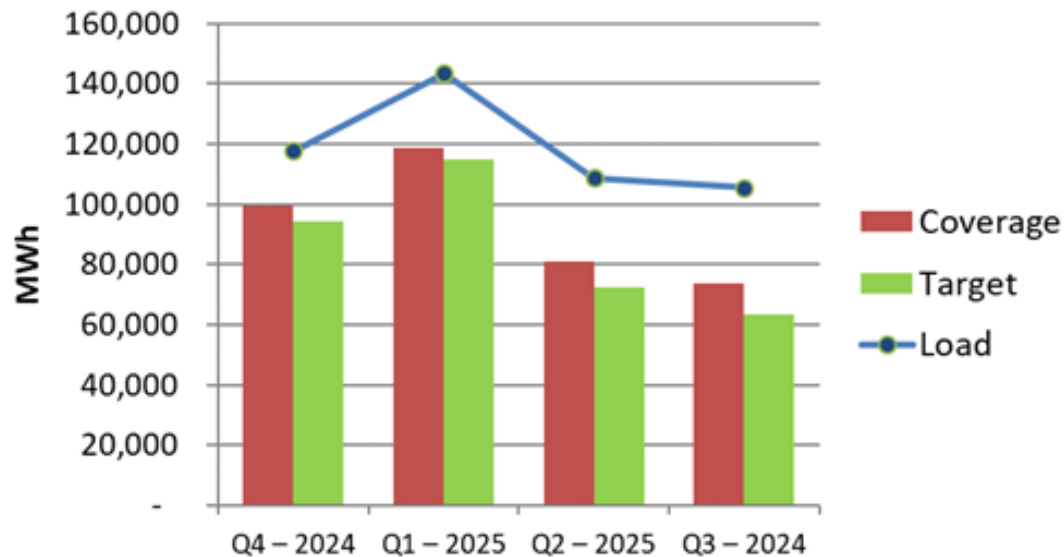
## Power Supply Costs

(June 30, 2024)

|                                 | Budget               | Actual               | % of Budget |
|---------------------------------|----------------------|----------------------|-------------|
| Generation                      | \$ 40,895,090        | \$ 38,161,598        | 93%         |
| Transmission                    | \$ 15,481,940        | \$ 13,395,901        | 87%         |
| Management Services             | \$ 1,541,860         | \$ 1,163,778         | 76%         |
| <b>Total Power Supply Costs</b> | <b>\$ 57,918,890</b> | <b>\$ 52,721,277</b> | <b>91%</b>  |

## Load Coverage

|                  |          | ROC Matrix | Load Coverage         |
|------------------|----------|------------|-----------------------|
|                  | MWh Load | Target     | (Including Purchases) |
| <b>Q4 – 2024</b> | 117,894  | 80.0%      | 84.3%                 |
| <b>Q1 – 2025</b> | 143,428  | 80.0%      | 82.8%                 |
| <b>Q2 – 2025</b> | 108,806  | 66.7%      | 74.6%                 |
| <b>Q3 – 2024</b> | 105,647  | 60.0%      | 69.8%                 |



- LEU continues to meet or exceed Risk Management targets

# Risk Oversight Committee (ROC)

## Report Highlights

- 5 ROC meetings held January – June 2024
  - Provided market conditions and hedging update
  - Discussed confidential Cap and Trade strategy and activities
  - Authorized sale of July 2024 Resource Adequacy (RA)
  - Approved forward energy and gas purchases 2024-2026
  - Recommended approval of NCPA Transmission Owner Rate Case Program Agreement
  - Approved Low Carbon Fuel Standard Credit sale
  - Completed annual review of Energy Risk Management Policy and approved non-substantive changes as authorized by City Attorney
  - Discussed revisions to Energy Procurement and Hedging Guidelines
  - Recommended approval of public electric vehicle pilot charging rate
  - Discussed confidential renewable energy procurement opportunities
  - Approved 2023 Power Source Disclosure Report
  - Approved 2023 Renewables Portfolio Standard (RPS) Report
  - Approved 2023 GHG Use of Allowance Proceeds Report

# Project Highlights

- Customer
  - Hosted annual Key Accounts Event and Lunch April 11, 2024
  - Provided energy efficiency and electric vehicle rebates totaling approximately \$250,000 January – June 2024
- Technology
  - Completed public outreach efforts associated with EV Charging Infrastructure Master Plan
  - Joined County delegation in Washington DC to advocate for Hydrogen Hub Project funding
- Reliability
  - Continued substation modernization and upgrade work
  - Completion of all generator testing for initial capacity associated with Peaker Plant Project
  - Implemented new electronic system for tracking distribution system inspections

## Project Highlights (cont'd)

- Financial
  - Implemented new charging fee for all City owned public EV charging stations
  - Approval of Transmission Owner Rate Case Agreement with NCPA to actively engage during rate setting process impacting member transmission costs
- Workforce Planning
  - Implementation of Phase I reorganization efforts to modernize and improve utility operations
    - Addition of Electric Utility Technician
    - Reclassification of Rates & Resources Manager to Assistant Director
    - Reclassification of Sr. Power Engineer to Engineering Operational Technology Supervisor
    - Reclassification of Sr. Power Engineer to Engineering Planning and Design Supervisor