



Commission Staff Report

COMMISSION MEETING DATE: September 23, 2022

SUBJECT: August 31, 2022 Financial Report (unaudited)

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>[Signature]</i>	METHOD OF SELECTION:
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>	Other	<input type="checkbox"/>

If other, please specify

RECOMMENDATION:

Recommending the Northern California Power Agency (NCPA) Commission approve the Financial Report for month ending August 31, 2022.

NOTICE:

The disbursements of the Northern California Power Agency (NCPA) for the month reported herein, will be approved at the September 23, 2022 meeting of the NCPA Commission. The following page is a summary of those disbursements.

Prior to the Chairman's call to order, the Assistant Secretary to the Commission will, upon request, make available for review the detailed listing of those disbursements.

The report of budget vs. actual costs and the unaudited August 31, 2022 financial reports are also included.

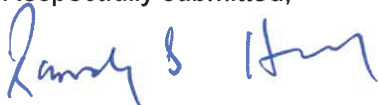
FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore, not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- August 31, 2022 Financial Report

**NORTHERN CALIFORNIA POWER AGENCY
and ASSOCIATED POWER CORPORATIONS**

**Schedule of Disbursements
(Unaudited)**

For the Month of August 2022

Operations:

Geothermal	\$ 2,187,284
Hydroelectric	3,412,824
CT#1 Combustion Turbines	735,544
CT#2 STIG	556,604
Lodi Energy Center	6,691,573
NCPA Operating	54,179,617
Total	\$ 67,763,446

**NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED AUGUST 31, 2022**

PERCENT OF YEAR ELAPSED 17%
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	This Month	Actual Year To-Date	FY 2023 Budget	% Used	
<u>GENERATION RESOURCES</u>					
NCPA Plants					
Hydroelectric					
Other Plant Cost	\$ 1,695,927	\$ 3,386,222	\$ 19,702,876	17%	
Debt Service (Net)	2,984,264	5,968,528	35,811,167	17%	
Annual Budget Cost	4,680,191	9,354,750	55,514,043	17%	
Geothermal					
Other Plant Cost	3,255,465	6,338,166	38,159,673	17%	
Debt Service (Net)	289,443	578,885	3,473,310	17%	
Annual Budget Cost	3,544,908	6,917,051	41,632,983	17%	
Combustion Turbine No. 1					
Fuel	126,895	129,364	1,213,785	11%	
Other Plant Cost	454,240	821,139	4,387,786	19%	
Annual Budget Cost	581,135	950,503	5,601,571	17%	
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	118,145	173,899	2,226,656	8%	
Other Plant Cost	271,149	434,295	3,050,762	14%	
Debt Service (Net)	423,655	847,309	5,083,855	17%	
Annual Budget Cost	812,949	1,455,503	10,361,273	14%	
Lodi Energy Center					
Fuel	10,171,507	13,281,826	64,819,215	20%	(a)
Other Plant Cost	1,721,893	3,917,075	46,921,420	8%	
Debt Service (Net)	2,166,350	4,332,701	25,996,203	17%	
Annual Budget Cost	14,059,750	21,531,602	137,736,838	16%	
Member Resources - Energy	7,481,778	15,469,382	63,023,618	25%	(b)
Member Resources - Natural Gas	490,793	879,285	2,474,390	36%	(a)
Western Resources	3,181,560	6,379,988	26,100,435	24%	(c)
Market Power Purchases	7,625,859	12,877,992	35,533,176	36%	(d)
Load Aggregation Costs - CAISO	81,701,953	143,387,969	467,468,943	31%	(e)
Net GHG Obligations	1,701,000	1,701,000	920,891	N/A	
	125,861,876	220,905,025	846,368,161	26%	
<u>TRANSMISSION</u>					
Independent System Operator					
Grid Management Charge	315,350	620,655	2,575,487	24%	(f)
Wheeling Access Charge	14,649,431	27,904,157	158,081,389	18%	
Ancillary Services	853,122	1,349,548	5,941,763	23%	(g)
Other ISO Charges/(Credits)	(4,246,568)	(5,681,100)	2,183,731	-260%	(h)
	11,571,335	24,193,260	168,782,370	14%	
<u>MANAGEMENT SERVICES</u>					
Legislative & Regulatory					
Legislative Representation	181,595	215,417	2,231,485	10%	
Regulatory Representation	34,636	97,764	714,822	14%	
Western Representation	23,389	34,118	722,876	5%	
Customer Programs	34,585	74,495	614,825	12%	
Judicial Action	-	-	460,000	0%	
Power Management					
System Control & Load Dispatch	547,999	1,226,212	7,504,041	16%	
Forecasting, Planning, Prescheduling & Trading	193,363	416,438	3,044,442	14%	
Industry Restructuring & Regulatory Affairs	34,676	76,431	438,471	17%	
Contract Admin, Interconnection Svcs & External Affairs	69,537	141,158	1,031,800	14%	
Gas Purchase Program	4,332	8,679	76,674	11%	
Market Purchase Project	6,476	13,282	112,143	12%	

Management Services continued on next page

**NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED AUGUST 31, 2022**

PERCENT OF YEAR ELAPSED 17%
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	This Month	Actual Year To-Date	FY 2023 Budget	% Used	
Energy Risk Management	10,540	22,963	149,552	15%	
Settlements	46,175	109,632	1,011,963	11%	
Integrated Systems Support	19,049	100,160	405,072	25%	(i)
Participant Pass Through Costs	58,513	134,710	1,665,647	8%	
Support Services	143,442	150,444	-	N/A	
	1,408,307	2,821,903	20,183,813	14%	
TOTAL ANNUAL BUDGET COST	138,841,518	247,920,188	1,035,334,344	24%	
LESS: THIRD PARTY REVENUE					
Plant ISO Energy Sales	26,038,514	37,231,727	193,457,434	19%	
Member Resource ISO Energy Sales	12,889,747	22,848,437	49,954,453	46%	(j)
Member Owned Generation ISO Energy Sales	18,805,636	33,017,216	118,708,880	28%	(j)
Revenue from Customers	5,383,268	11,254,800	-	N/A	(k)
NCPA Contracts ISO Energy Sales	4,564,043	8,002,640	36,185,909	22%	(j)
Western Resource Energy Sales	2,538,784	4,921,153	26,526,704	19%	
Load Aggregation Energy Sales	10,450,460	18,353,102	-	N/A	(e)
Ancillary Services Sales	520,628	1,012,925	4,271,495	24%	(l)
Transmission Sales	9,198	18,396	110,376	17%	
Western Credits, Interest and Other Income	5,545,621	10,044,511	43,537,481	23%	(m)
	86,745,899	146,704,907	472,752,732	31%	
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 52,095,619	\$ 101,215,281	\$ 562,581,612	18%	

- (a) Increase due to higher than budgeted costs for natural gas purchases. Price per mmbTU has almost doubled year-over-year to average about \$10 per mmbTU.
- (b) Increase due to higher than anticipated volume of market purchases and price per MWh for those purchases. Member and customer contracts are at 940% of budgeted MWh as of 08/31/2022.
- (c) Increase due to higher than anticipated price per MWh for allocated Western resources. A price per MWh of \$74 was budgeted while actual costs for Western Resources are \$96 per MWh, a 30% increase.
- (d) Increase due to higher than anticipated price per MWh for market purchases. Market purchases were budgeted at about \$61 per MWh and costs are currently about \$222 per MWh, a 266% increase.
- (e) Increase due to higher than budgeted energy purchases and unbudgeted energy sales related to CCA (Sonoma Clean Power) and participants.
- (f) Increase due to higher than anticipated grid management costs for participants and Sonoma Clean Power.
- (g) Increase due to greater than expected spinning, non-spinning, reg up and down obligation settlements for the NCPA pool.
- (h) Net credit due to revenue from unbudgeted congestion revenue rights and unbudgeted real-time settlement credits.
- (i) Higher costs are the result of an annual hardware support contract being paid in full in July. Costs should normalize over the year.
- (j) Higher revenues due to higher energy prices and higher than budgeted contract energy.
- (k) Revenue from CCA results from charges for energy purchases, grid management, and ancillary services that are billed and settled with customers monthly.
- (l) Increase primarily due to greater than expected spinning and reg up capacity settlements revenue from Hydro plant.
- (m) Increase due to higher than budgeted revenue from Western O&M revenue credits, third party market sales, and the sale of resource adequacy credits.

COMBINED STATEMENTS OF NET POSITION

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

UNAUDITED

	August 31	
	2022	2021
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 54,893	\$ 96,353
Investments	28,292	34,822
Accounts receivable		
Participants	26	7
Other	3,387	6,849
Interest receivable	585	699
Inventory and supplies	6,055	6,155
Prepaid expenses	1,493	1,687
TOTAL CURRENT ASSETS	94,731	146,572
RESTRICTED ASSETS		
Cash and cash equivalents	55,168	60,294
Investments	159,110	169,365
Interest receivable	24	51
TOTAL RESTRICTED ASSETS	214,302	229,710
ELECTRIC PLANT		
Electric plant in service	1,599,582	1,497,854
Less: accumulated depreciation	(1,087,220)	(1,053,180)
	512,362	444,674
Construction work-in-progress	1,516	-
TOTAL ELECTRIC PLANT	513,878	444,674
OTHER ASSETS		
Regulatory assets	183,915	205,711
Preliminary survey and investigation costs	-	21
Investment in associated company	265	265
TOTAL ASSETS	1,007,091	1,026,953
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	1,140	9,932
Pension and OPEB deferrals	15,426	18,099
Asset retirement obligations	61,743	61,863
TOTAL DEFERRED OUTFLOWS OF RESOURCES	78,309	89,894
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,085,400	\$ 1,116,847

COMBINED STATEMENTS OF NET POSITION

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

UNAUDITED

	August 31	
	2022	2021
LIABILITIES	(in thousands)	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 55,343	\$ 90,082
Member advances	993	993
Operating reserves	20,434	24,294
Current portion of long-term debt	54,775	44,860
Accrued interest payable	5,672	5,578
TOTAL CURRENT LIABILITIES	<u>137,217</u>	<u>165,807</u>
NON-CURRENT LIABILITIES		
Net pension and OPEB liabilities	42,243	62,959
Operating reserves and other deposits	146,260	143,978
Interest rate swap liability	-	16,045
Asset retirement obligations	69,940	68,393
Long-term debt, net	556,007	521,944
TOTAL NON-CURRENT LIABILITIES	<u>814,450</u>	<u>813,319</u>
TOTAL LIABILITIES	<u>951,667</u>	<u>979,126</u>
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	84,477	90,978
Pension and OPEB deferrals	13,671	2,187
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>98,148</u>	<u>93,165</u>
NET POSITION		
Net investment in capital assets	(9,289)	(5,063)
Restricted	24,305	19,185
Unrestricted	20,569	30,434
TOTAL NET POSITION	<u>35,585</u>	<u>44,556</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 1,085,400</u>	<u>\$ 1,116,847</u>

**COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

UNAUDITED

	For the Two Months Ended August 31,	
	2022	2021
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 77,725	\$ 93,389
Other Third-Party	65,009	106,900
TOTAL OPERATING REVENUES	142,734	200,289
OPERATING EXPENSES		
Purchased power	89,664	69,239
Operations	24,225	28,766
Transmission	36,056	64,288
Depreciation	5,145	5,104
Maintenance	3,355	4,601
Administrative and general	3,343	2,512
TOTAL OPERATING EXPENSES	161,788	174,510
NET OPERATING REVENUES	(19,054)	25,779
NON OPERATING (EXPENSES) REVENUES		
Interest expense	(3,414)	(5,252)
Interest income	12,079	(649)
Other	1,758	1,438
TOTAL NON OPERATING EXPENSES	10,423	(4,463)
FUTURE RECOVERABLE AMOUNTS	(4,006)	(4,284)
REFUNDS TO PARTICIPANTS	(5,161)	(104)
INCREASE (DECREASE) IN NET POSITION	(17,798)	16,928
NET POSITION, Beginning of year	53,383	27,628
NET POSITION, Period ended	\$ 35,585	\$ 44,556

OTHER FINANCIAL INFORMATION
COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

August 31, 2022

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services				
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents				1	1	462			770		53,659	54,893
Investments											28,292	28,292
Accounts receivable												
Participants												
Other											26	26
Interest receivable	109	52			31		2,385		1,002		1,002	3,387
Inventory and supplies	1,495	1,592	323	392	2,253		49		1		343	585
Prepaid expenses	225	498	41	58	353							6,055
Due from Agency and other programs*	23,030	1,569	4,470	5,840	33,513		(3,249)		56		262	1,493
TOTAL CURRENT ASSETS	24,859	3,711	4,835	6,291	36,612		(815)		8,897	9,724	(74,070)	94,731
RESTRICTED ASSETS												
Cash and cash equivalents	1,074	12,958			2,120		27,653				11,363	55,168
Investments	27,806	22,724	424		28,857		16,251				63,048	159,110
Interest receivable		6			18							24
TOTAL RESTRICTED ASSETS	28,880	35,688	424		30,995		43,904				74,411	214,302
ELECTRIC PLANT												
Electric plant in service	578,175	395,538	65,460	37,688	446,093	7,736	61,427	1,024	6,441		6,441	1,599,582
Less: accumulated depreciation	(550,467)	(301,696)	(57,580)	(35,333)	(126,392)	(7,736)	(3,071)	(712)	(4,233)		(4,233)	(1,087,220)
	27,708	93,842	7,880	2,355	319,701		58,356	312	2,208		2,208	512,362
Construction work-in-progress											1,516	1,516
TOTAL ELECTRIC PLANT	27,708	93,842	7,880	2,355	319,701		58,356	312	3,724		513,878	
OTHER ASSETS												
Regulatory assets	(1,034)	109,114	1,462		29,627				44,746		44,746	185,915
Investment in associated company											265	265
TOTAL ASSETS	80,413	242,355	14,601	8,646	416,935		101,445	10,036	132,660		1,007,091	
DEFERRED OUTFLOWS OF RESOURCES												
Excess cost on refunding of debt	516		(176)		800							1,140
Pension and OPEB deferrals											15,426	15,426
Asset retirement obligations	61,380		170		193							61,743
TOTAL DEFERRED OUTFLOWS OF RESOURCES	61,896		(6)		993						15,426	78,309
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 142,309	\$ 242,355	\$ 14,595	\$ 8,646	\$ 417,928	\$ -	\$ 101,445	\$ 10,036	\$ 148,086	\$ -	\$ 1,085,400	

* Eliminated in Combination

OTHER FINANCIAL INFORMATION
COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

August 31, 2022

	GENERATING & TRANSMISSION RESOURCES										Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency			
LIABILITIES												
CURRENT LIABILITIES												
Accounts payable and accrued expenses	366	\$ 245	\$ -	1	\$ 9,961	\$ -	\$ 36,688	\$ -	8,082	\$ -	55,343	
Member advances	791	-	-	-	-	-	-	202	-	-	993	
Operating reserves	3,611	250	617	3,140	12,816	-	-	-	-	-	20,434	
Current portion of long-term debt	3,360	27,275	4,625	-	13,828	-	5,687	-	-	-	54,775	
Accrued interest payable	19	2,465	(9)	-	3,197	-	-	-	-	-	5,672	
TOTAL CURRENT LIABILITIES	8,147	30,235	5,233	3,141	39,802	-	42,375	202	8,082	-	137,217	
NON-CURRENT LIABILITIES												
Net pension and OPEB liability	-	-	-	-	-	-	-	-	42,243	-	42,243	
Operating reserves and other deposits	1,500	22,089	-	-	462	-	43,953	3,828	74,428	-	146,260	
Asset retirement obligations	69,577	-	170	-	193	-	-	-	-	-	69,940	
Long-term debt, net	3,424	178,332	6,223	-	315,091	-	52,937	-	-	-	556,007	
TOTAL NON-CURRENT LIABILITIES	74,501	200,421	6,393	-	315,746	-	96,890	3,828	116,671	-	814,450	
TOTAL LIABILITIES	82,648	230,656	11,626	3,141	355,548	-	139,265	4,030	124,753	-	951,667	
DEFERRED INFLOWS OF RESOURCES												
Regulatory credits	38,155	5,795	719	2,657	32,495	-	-	312	4,344	-	84,477	
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	13,671	-	13,671	
TOTAL DEFERRED INFLOWS OF RESOURCES	38,155	5,795	719	2,657	32,495	-	-	312	18,015	-	98,148	
NET POSITION												
Net investment in capital assets	4,401	(14,820)	(2,306)	-	3,704	-	(268)	-	-	-	(9,289)	
Restricted	455	3,520	433	-	3,492	-	16,659	-	(254)	-	24,305	
Unrestricted	16,650	17,204	4,123	2,848	22,689	-	(54,211)	5,694	5,572	-	20,569	
TOTAL NET POSITION	21,506	5,904	2,250	2,848	29,885	-	(37,820)	5,694	5,318	-	35,585	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	142,309	242,355	14,595	8,646	417,928	-	101,445	10,036	148,086	1,085,400	1,085,400	

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

For the Two Months Ended August 31, 2022

	GENERATING & TRANSMISSION RESOURCES								Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services		
OPERATING REVENUES										
Participants										
Other Third-Party										
TOTAL OPERATING REVENUES										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	(2,641)	4,935	2,053	1,094	18,800	-	48,976	4,391	117	77,725
	11,609	6,056	345	985	19,243	-	26,360	411	-	65,009
	8,968	10,991	2,398	2,079	38,043	-	75,336	4,802	117	142,734
OPERATING EXPENSES										
Purchased power										
Operations	98	1,016	68	155	780	-	87,547	-	-	89,664
Transmission	3,233	729	271	289	15,473	-	879	3,351	-	24,225
Depreciation	47	54	-	1	117	-	35,836	1	-	36,056
Maintenance	659	1,620	370	52	2,358	-	-	23	63	5,145
Administrative and general	1,830	1,039	138	312	23	-	-	13	-	3,355
Intercompany (sales) purchases, net*	1,228	483	121	181	977	-	-	1,004	(651)	3,343
	(161)	65	11	16	70	-	-	(1)	-	-
TOTAL OPERATING EXPENSES										
	6,934	5,006	979	1,006	19,798	-	124,262	4,391	(588)	161,788
NET OPERATING REVENUES										
	2,034	5,985	1,419	1,073	18,245	-	(48,926)	411	705	(19,054)
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(63)	(1,182)	7	-	(2,176)	-	-	-	-	(3,414)
Interest income	2,455	1,010	7	6	1,275	-	1,345	8	5,973	12,079
Other	3	-	463	-	1,097	-	-	7	188	1,758
TOTAL NON OPERATING (EXPENSES) REVENUES										
	2,395	(172)	477	6	196	-	1,345	15	6,161	10,423
FUTURE RECOVERABLE AMOUNTS										
	(165)	(3,249)	(497)	-	(95)	-	-	-	-	(4,006)
REFUNDS TO PARTICIPANTS INCREASE (DECREASE) IN NET POSITION										
	72	233	7	(161)	-	-	(1,286)	(231)	(3,795)	(5,161)
	4,336	2,797	1,406	918	18,346	-	(48,867)	195	3,071	(17,798)
NET POSITION, Beginning of year										
	17,170	3,107	844	1,930	11,539	-	11,047	5,499	2,247	53,383
NET POSITION, Period ended										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	21,506	5,904	2,250	2,848	29,885	-	(37,820)	5,694	5,318	35,585

* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS
AGED ACCOUNTS RECEIVABLE
August 31, 2022

<u>Status</u>	<u>Participant / Customer</u>	<u>Description</u>	<u>Amount</u>
CURRENT			\$ 3,100,579
PAST DUE:			
1 - 30	Siemens Energy	DEED Scholarship	6,000
	City of Shasta Lake	Aug ARB	13,129
31 - 60			
61 - 90			
91 - 120			
Over 120 Days	Calpine Geysers	Effluent Adj (Mar'18 - Dec'19)	292,665
PARTICIPANT and OTHER RECEIVABLES (net)			\$ 3,412,373