

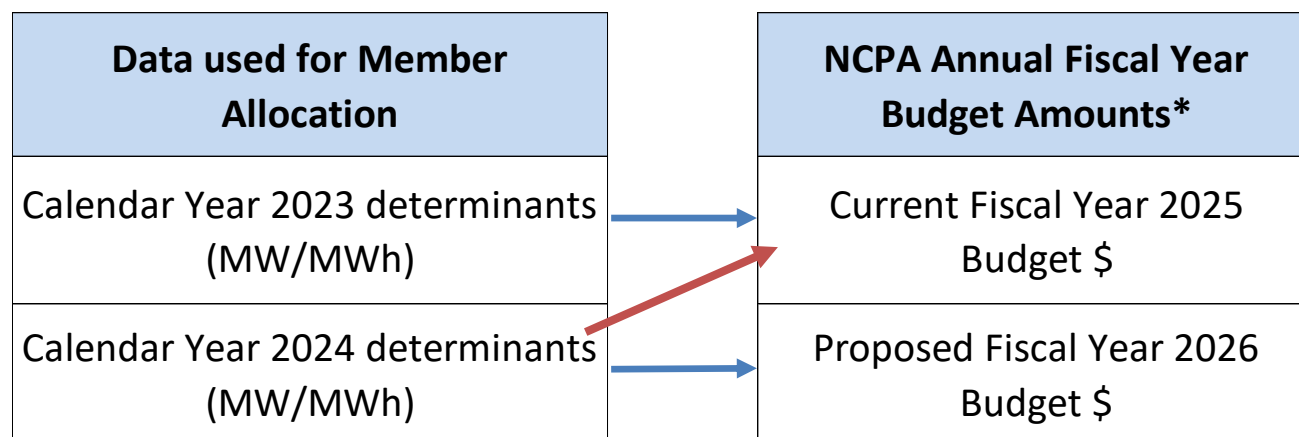


Initial Review of Nexant Cost Determinants for FY 2026 Budget

Facilities Committee
January 08, 2025

FY 2026 Nexant Model Review Objective

- Review current year FY 2025 Nexant Model budget and allocation results with updated Calendar Year 2024 data;
- Identify and review source of changes to members' costs that result from change in determinants;



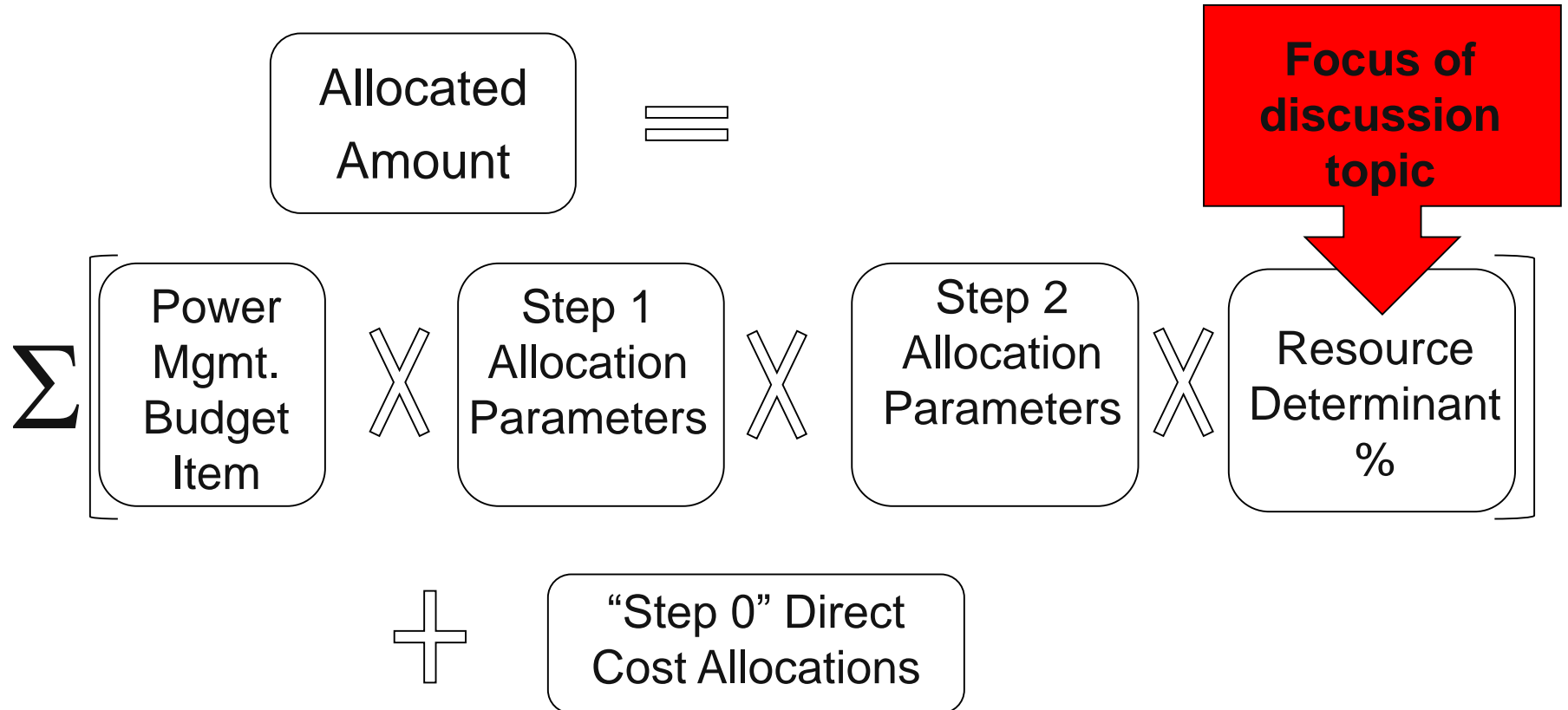
Please Note:

* Power Management, portions of Settlements, Risk Management, Information Services budget amounts

- CY 2024 data is not final;
- This review does not include FY 2026 Budget amounts.
- Does not include offsetting PM Service Revenues

FY 2026 Nexant Cost Allocation Model Overview

The Nexant Cost Allocation Formula



Advisory FY 2026 Nexant Cost Allocation Model

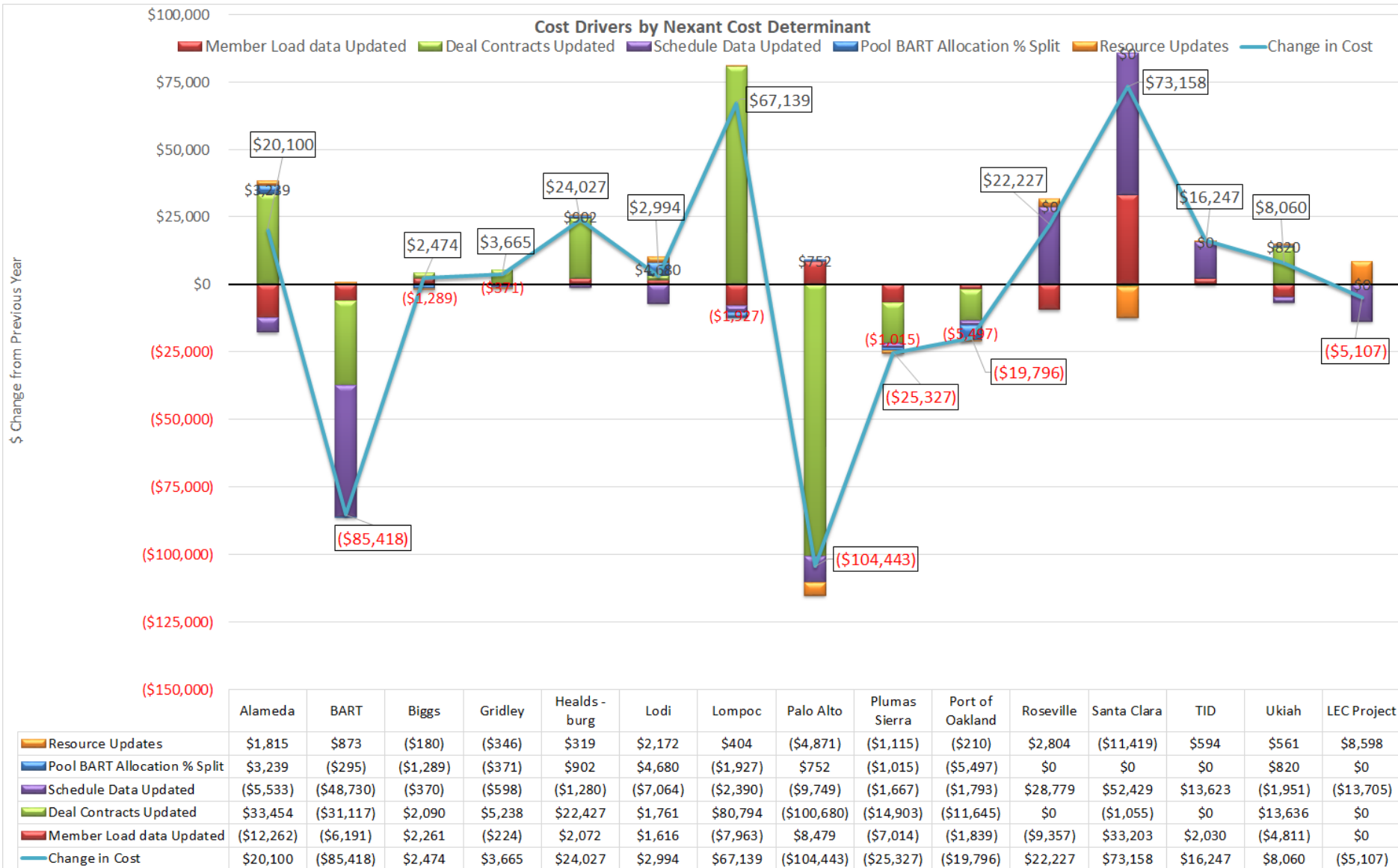
updated with CY 2024 determinants

Member Name	FY 2025 Total Pwr Mgmt	FY 2026 Power Mgmt Total Pwr Mgmt	Increase (Decrease)	% Diff
Alameda	\$1,488,526	\$1,508,626	\$20,100	1.35%
BART	\$1,200,009	\$1,114,591	(\$85,418)	-7.12%
Biggs	\$107,877	\$110,352	\$2,474	2.29%
Gridley	\$166,965	\$170,631	\$3,665	2.20%
Healdsburg	\$317,763	\$341,790	\$24,027	7.56%
Lodi	\$1,742,313	\$1,745,307	\$2,994	0.17%
Lompoc	\$610,138	\$677,277	\$67,139	11.00%
Palo Alto	\$2,631,596	\$2,527,153	(\$104,443)	-3.97%
Plumas Sierra	\$446,554	\$421,226	(\$25,327)	-5.67%
Port of Oakland	\$494,075	\$474,279	(\$19,796)	-4.01%
Roseville	\$888,178	\$910,405	\$22,227	2.50%
Santa Clara	\$6,138,086	\$6,211,244	\$73,158	1.19%
Turlock Irrigation District	\$191,041	\$207,288	\$16,247	8.50%
Ukiah	\$499,435	\$507,495	\$8,060	1.61%
	\$16,922,558	\$16,927,662	\$5,107	0.03%
Direct to Programs - LEC	\$1,849,850	\$1,844,744	(\$5,107)	-0.28%
Power Mgmt Budget	\$18,772,408	\$18,772,408	(\$0)	0.00%



Causal Factors for Nexant Model changes

updated with CY 2024 determinants and proposed changes



Cost Drivers to Changes in Operating Entity

Costs related to NCPA Pool, SVP, Roseville, TID and LEC

Advisory FY 2026 Nexant Cost Allocation results by Operating Entity

Operating Entity	FY 2025 Total Power Mgmt	FY 2026 Total Power Mgmt	Increase (Decrease)	% Diff
BART	\$1,200,009	\$1,114,591	(\$85,418)	-7.12%
Lodi Energy Center	\$1,849,850	\$1,844,744	(\$5,107)	-0.28%
NCPA Pool	\$8,505,242	\$8,484,135	(\$21,107)	-0.25%
Roseville	\$888,178	\$910,405	\$22,227	2.50%
Santa Clara	\$6,138,086	\$6,211,244	\$73,158	1.19%
Turlock Irrigation District	\$191,041	\$207,288	\$16,247	8.50%
FY 2024 Power Mgmt Budget	\$18,772,408	\$18,772,408	(\$0)	0.00%
BART & NCPA Pool (Combined)	\$9,705,252	\$9,598,726	(\$106,525)	-1.10%

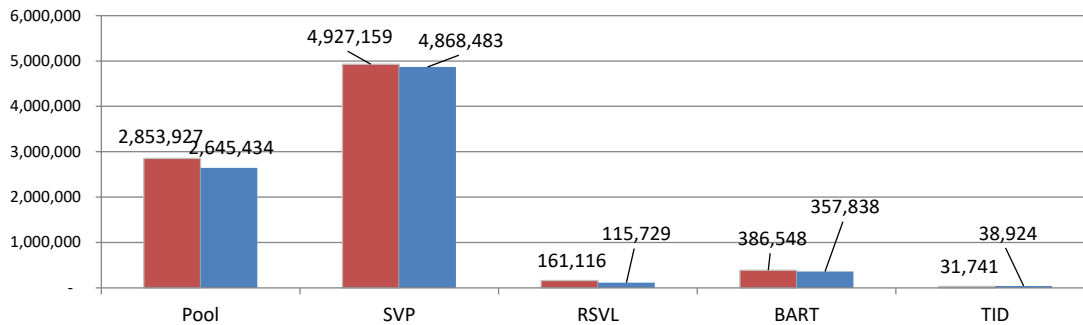
CY 2024 vs CY 2023

Scheduled Energy & Relative % Change

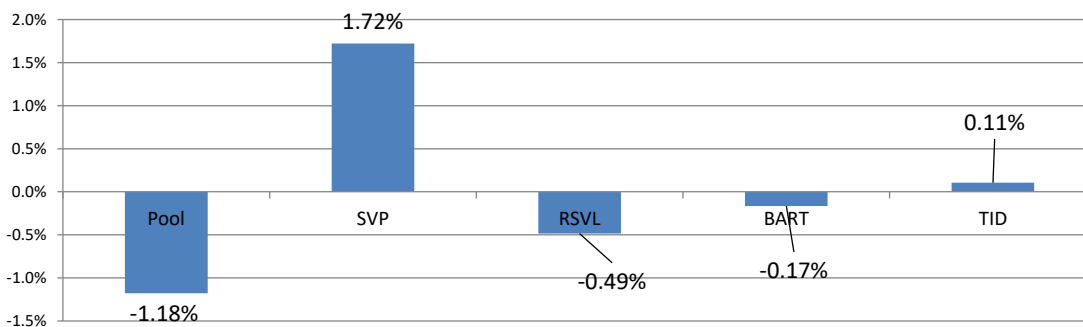
- Relative change in OE DA scheduled energy;
- NCPA Schedule Energy used to allocate **\$1.93M** for SCALD costs to the different operating entities.

CY24 vs CY23
MSSA Load / Scheduled Energy (in MWh)

■ CY 2023 Load ■ CY 2024 Load



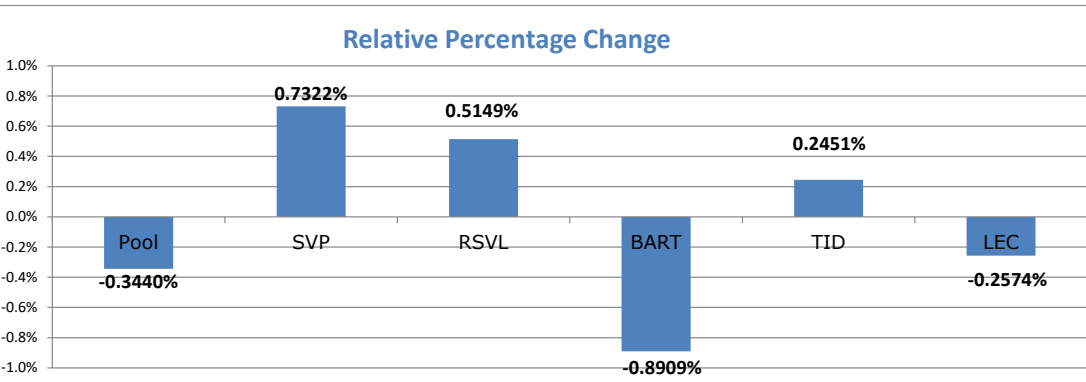
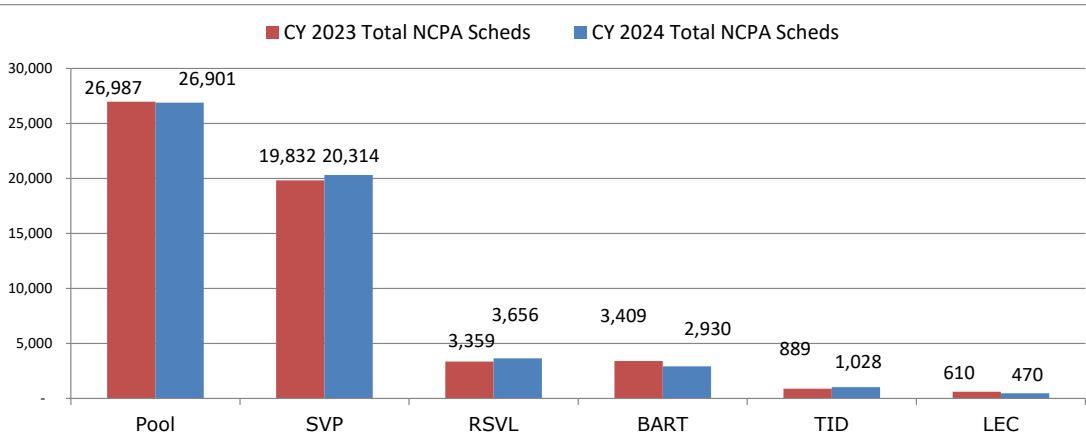
Relative Percentage Change



OE	Inc/Dec Change	Total
Pool	-\$23K	\$636K
SVP	\$33K	\$1,170K
RSVL	-\$9K	\$28K
BART	-\$3K	\$86K
TID	\$2K	\$9K
LEC	\$0K	\$0K
	\$0	\$1,929K

CY 2024 vs CY 2023 Total NCPA Schedule Counts and Relative % Change

- Relative change in OE schedules;
- NCPA Schedule Counts used to allocate **\$4.89M** for SCALD costs to the different operating entities.

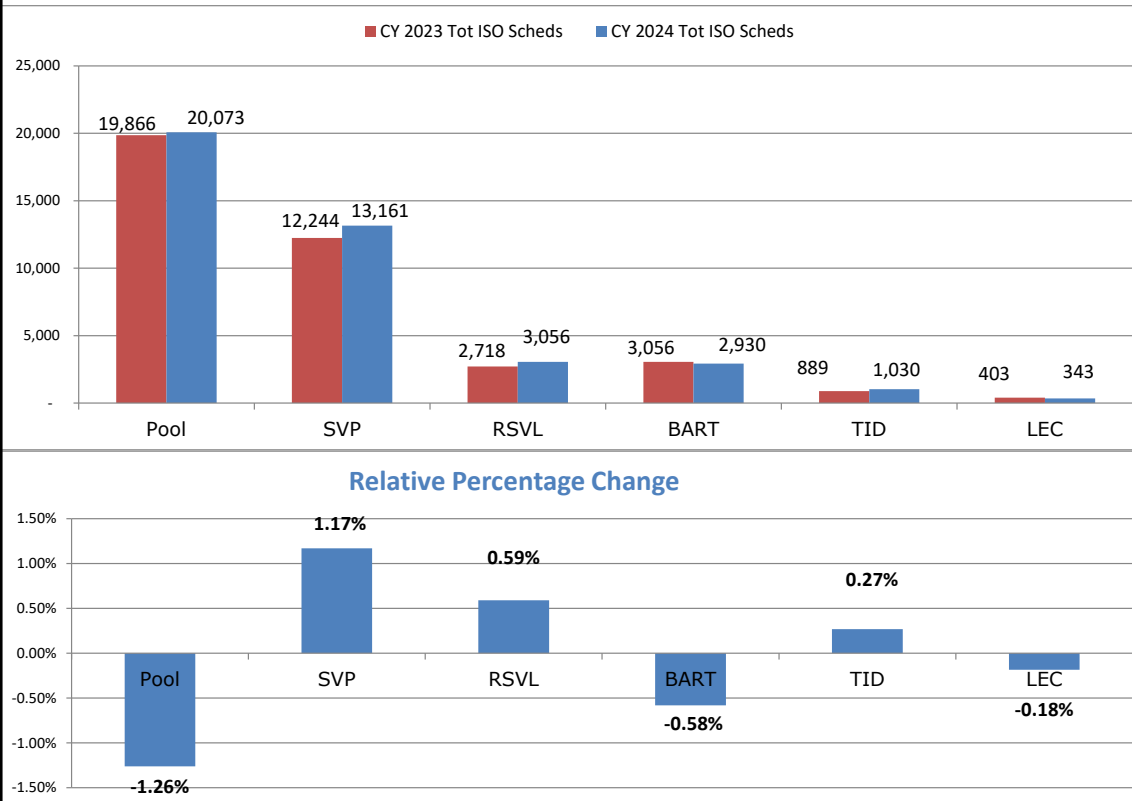


OE	Inc/Dec Change	Total
Pool	-\$17K	\$2.38M
SVP	\$36K	1.79M
RSVL	\$25K	323K
BART	-\$44K	259K
TID	\$12K	91K
LEC	-\$13K	42K
	\$0	\$4.885M

CY 2024 vs CY 2023 Total CAISO Schedule Counts and

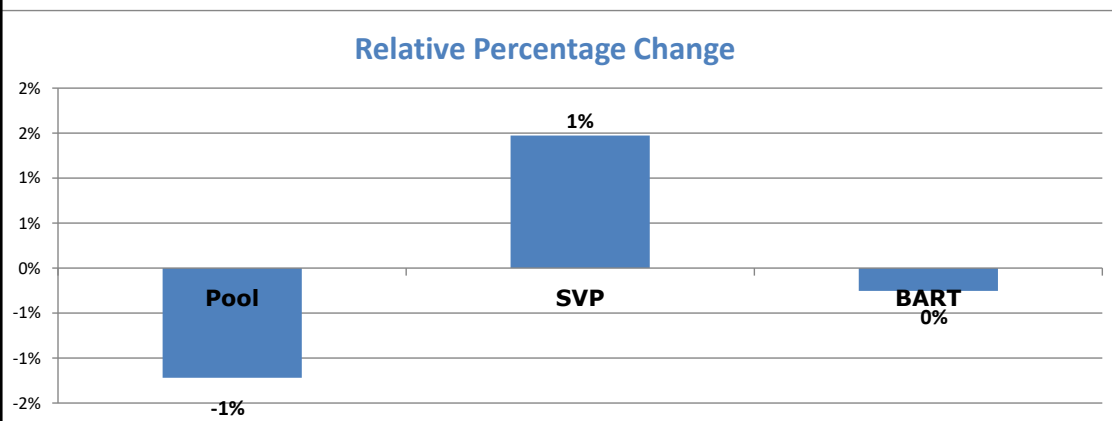
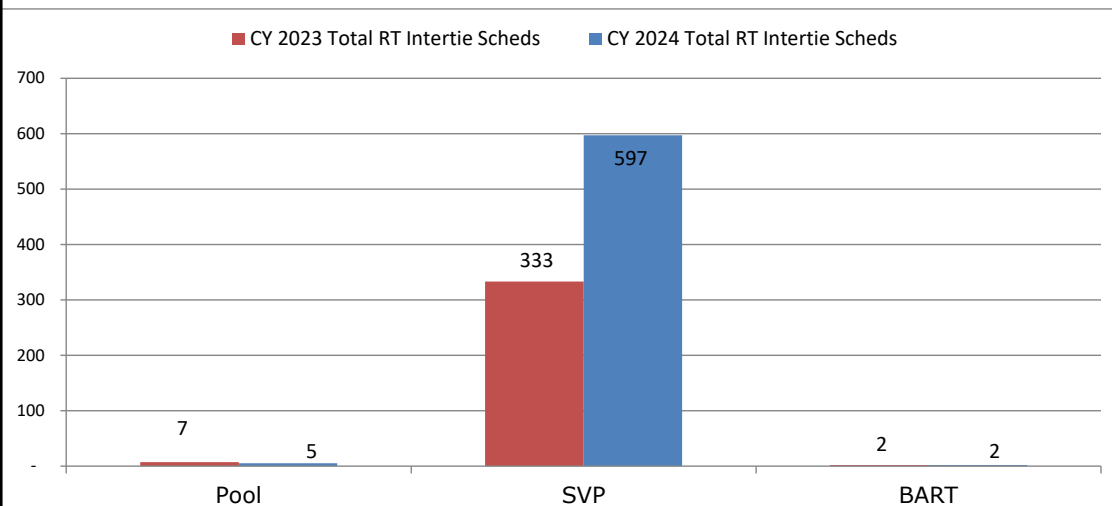
Relative % Change

- Relative decrease in **SVP** and **LEC** schedules compared to other OEs;
- NCPA Schedule Counts used to allocate **\$614k** for Settlements ISO data validation costs to operating entities.



OE	Inc/Dec Change	Total
Pool	-\$8K	\$304K
SVP	\$7K	\$199K
RSVL	\$4K	\$46K
BART	-\$4K	\$44K
TID	\$2K	\$16K
LEC	-\$1K	\$5K
	\$0	\$614K

CY 2024 vs CY 2023 Active-day Intertie Schedule Counts and Relative % Change



- Relative offset between **SVP** and **BART** schedules compared to SVP OE;
- Intertie Schedule Counts used to allocate **\$644k** for SCALD costs to operating entities.

OE	Inc/Dec Change	Total
Pool	-\$8K	\$5K
SVP	\$9K	\$637K
BART	-\$2K	\$2K
	\$0	\$644K

Cost Allocation Comparison for Pool Members and BART

BART and Pool Cost Drivers

Member Name	FY 2025 Total Power Mgmt	FY 2026 Total Power Mgmt	Increase (Decrease)	% Diff
BART	\$1,200,009	\$1,114,591	(\$85,418)	-7.12%
Alameda	\$1,488,526	\$1,508,626	\$20,100	1.35%
Biggs	\$107,877	\$110,352	\$2,474	2.29%
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Plumas Sierra	\$446,554	\$421,226	(\$25,327)	-5.67%
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Ukiah	\$499,435	\$507,495	\$8,060	1.61%
NCPA Pool	\$8,505,242	\$8,484,135	(\$21,107)	-0.25%

Member-specific Composite Pool & BART Allocator Rate Formula Calculation

Shared
Contract Hour
Count Weights

Contract Count
Weights

Melded
Contract
Deal Weight
%

X

.196

+

Metered
Load %
Share

X

.333

+

Pool &
BART
Resources
% Share

X

.471

=

Composite
Pool & BART
Allocator Rate

Member-specific
Composite Pool
Rate used to
Allocate **\$4.4M** to
Pool Members

Updated Pool Resource and Contract % Allocation

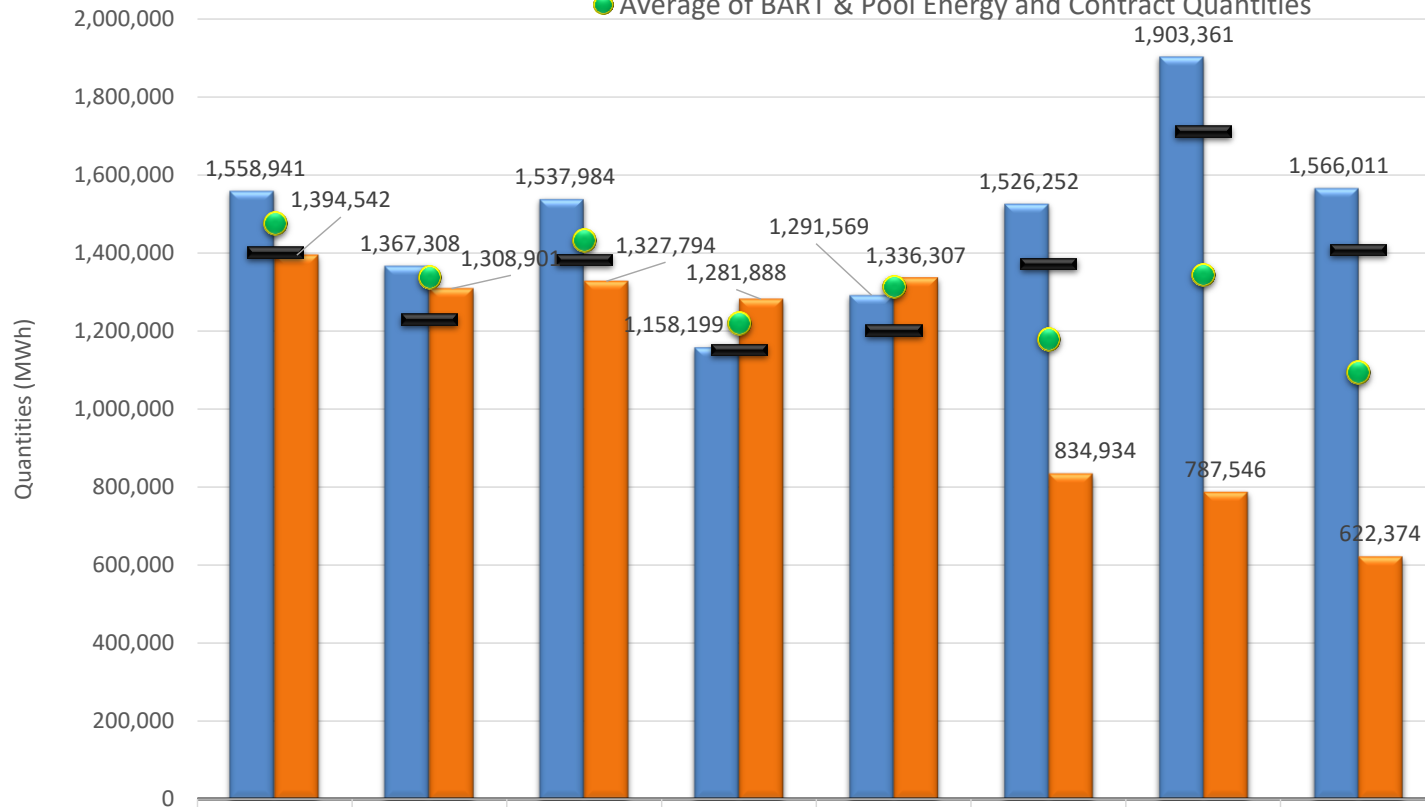
Metered BART & Pool Resource Energy vs. Contract Quantities (in MWhs)

■ BART & Pool Resource Energy (MWh)

■ BART & Pool Contract Quantities (MWh)

— Lower Tol Band

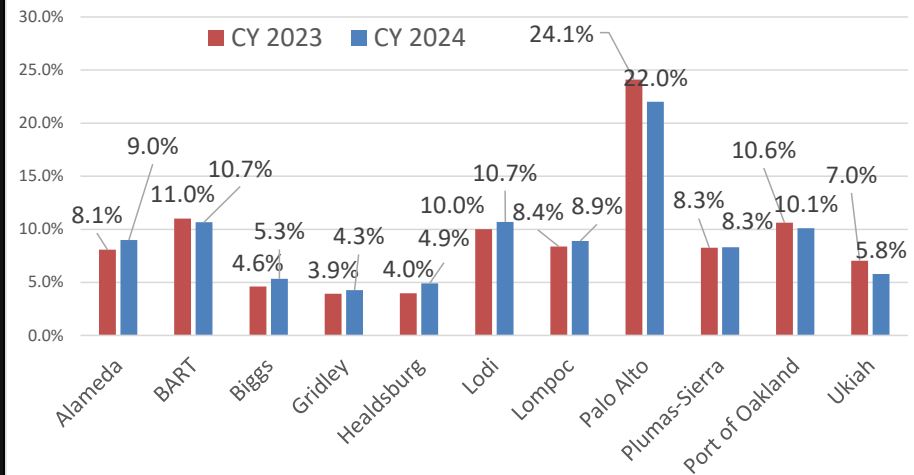
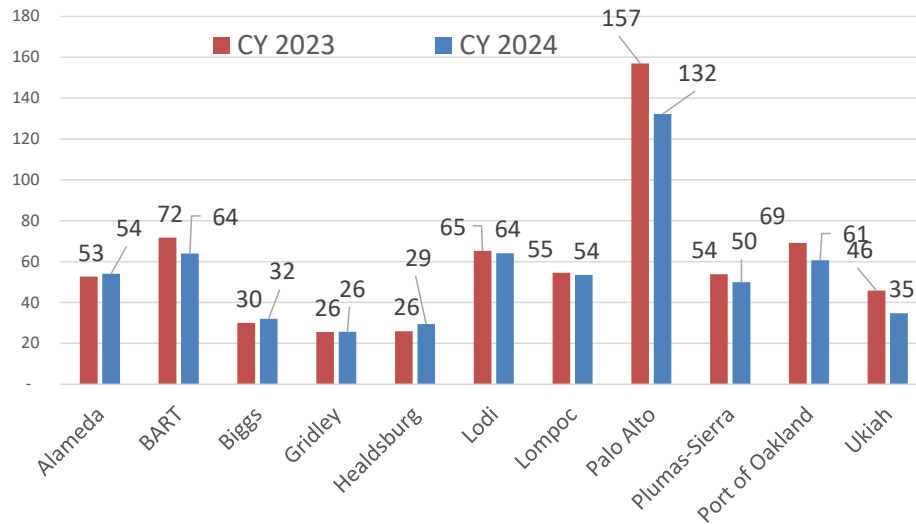
● Average of BART & Pool Energy and Contract Quantities



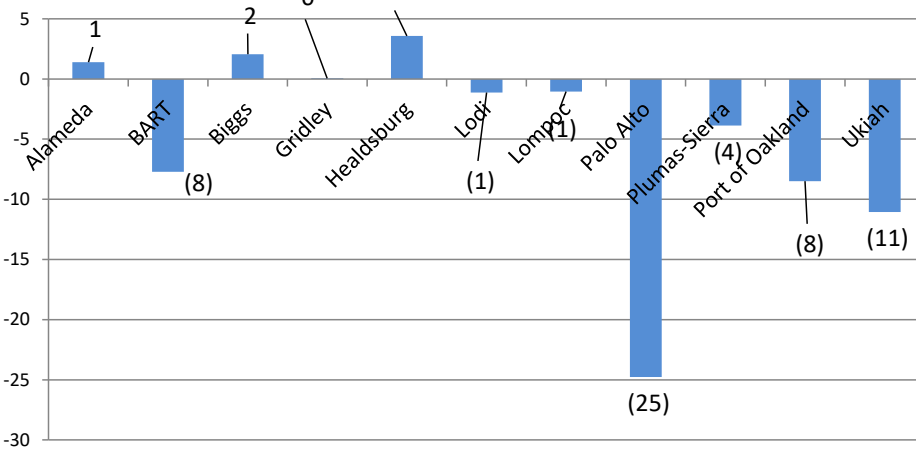
	2017	2018	2019	2020	2021	2022	2023	2024
■ BART & Pool Resource Energy (MWh)	1,558,941	1,367,308	1,537,984	1,158,199	1,291,569	1,526,252	1,903,361	1,566,011
■ BART & Pool Contract Quantities (MWh)	1,394,542	1,308,901	1,327,794	1,281,888	1,336,307	834,934	787,546	622,374
— Lower Tol Band	1,403,047	1,230,578	1,384,186	1,153,699	1,202,677	1,373,627	1,713,025	1,409,410
● Average of BART & Pool Energy and Contract Quantities	1,476,741	1,338,105	1,432,889	1,220,043	1,313,938	1,180,593	1,345,453	1,094,192

CY24 vs CY23 Change in Contract Deal Counts and Corresponding Percentage Change

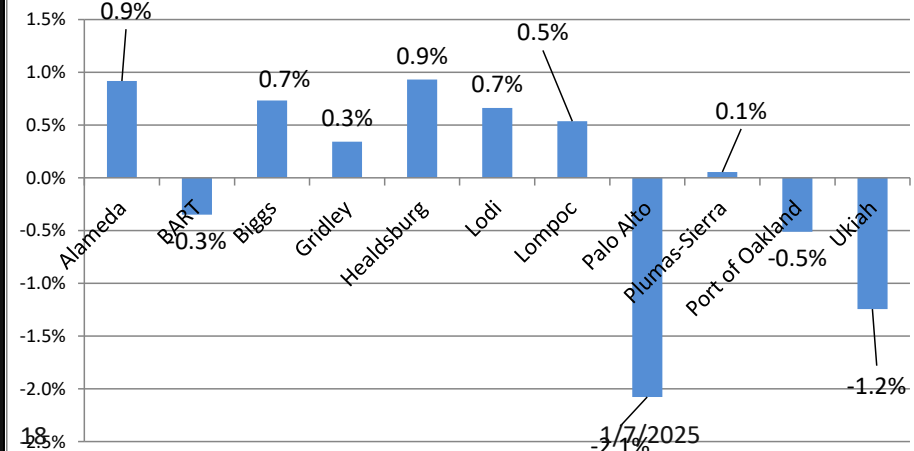
CY24 vs CY23 Change in Contract Deal Counts and Corresponding Percentage Change



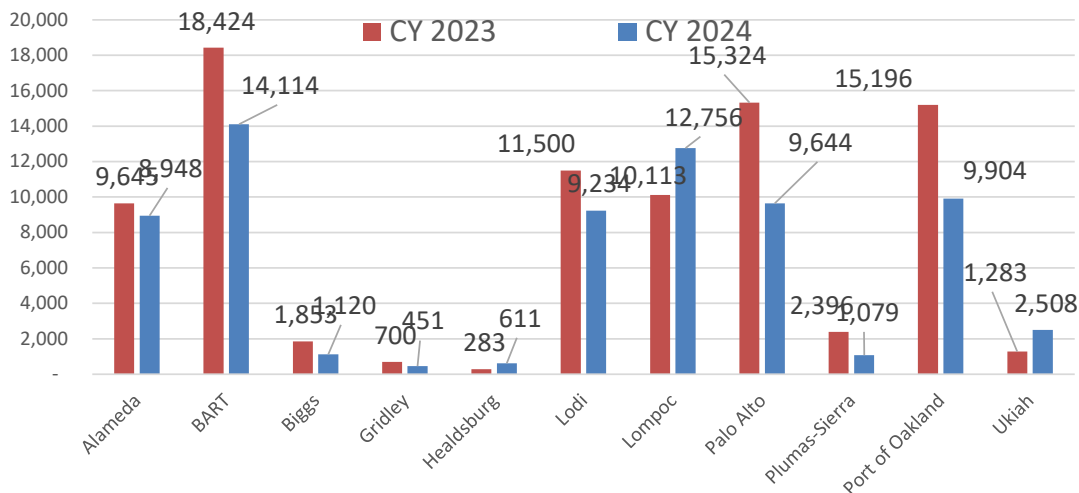
Difference in Shared Contract Counts



Relative % Change in Shared Contract Counts



CY24 vs CY23 Change in Shared Contract Hours

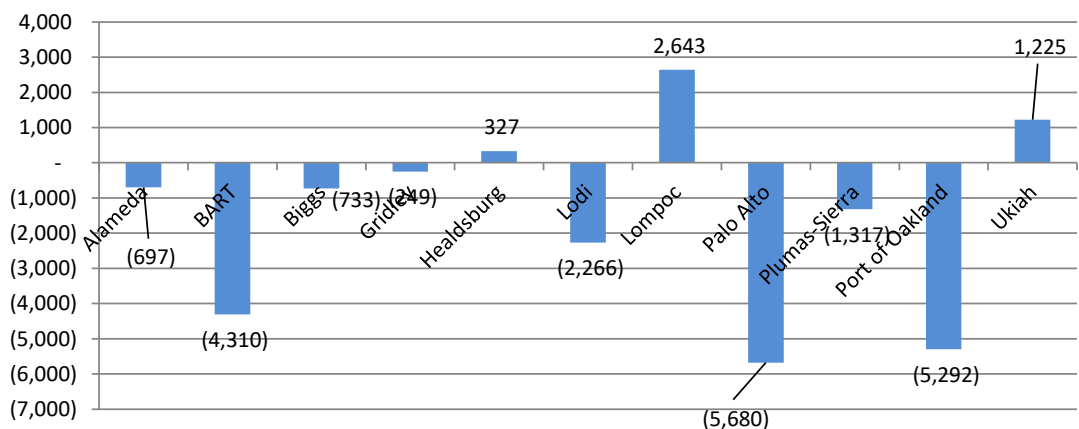


* Members' respective shared contract hours are a function of their cumulative energy deal profiles (hours and contract duration)

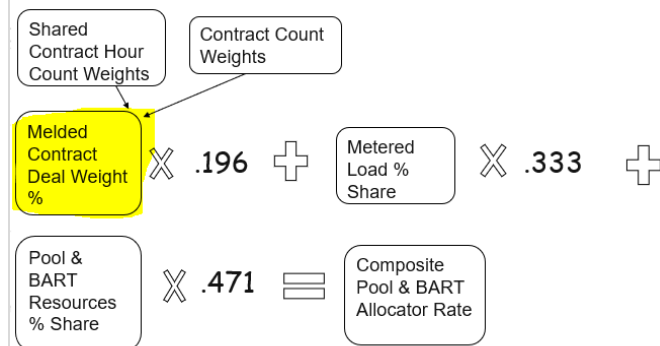
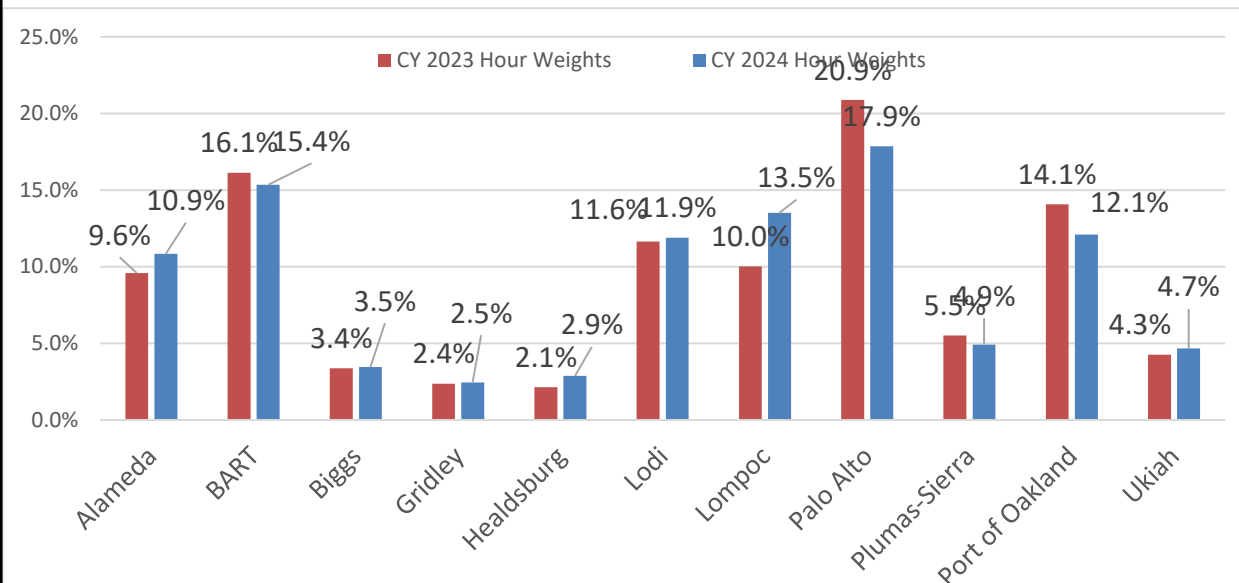
* Example: Six (6) MPP participants in 744 hour, 1 month energy deal is counted as 124 shared hours / member in Nexant

* Can be best managed through participation in MPP (Market Purchase Program)

Difference in Shared Contract Hours

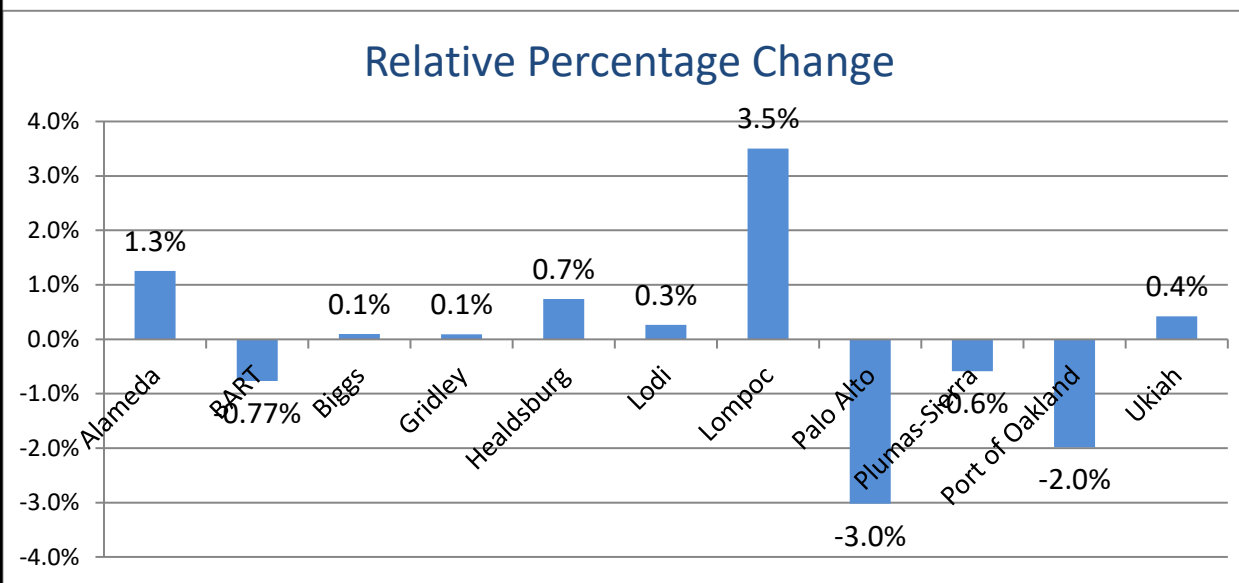


BART-Pool Merged Contract % - CY 2024 vs CY 2023



Merged Contract Deal Rate using simple average of:

- Shared Contract Hour Counts weights
- Contract Count weights

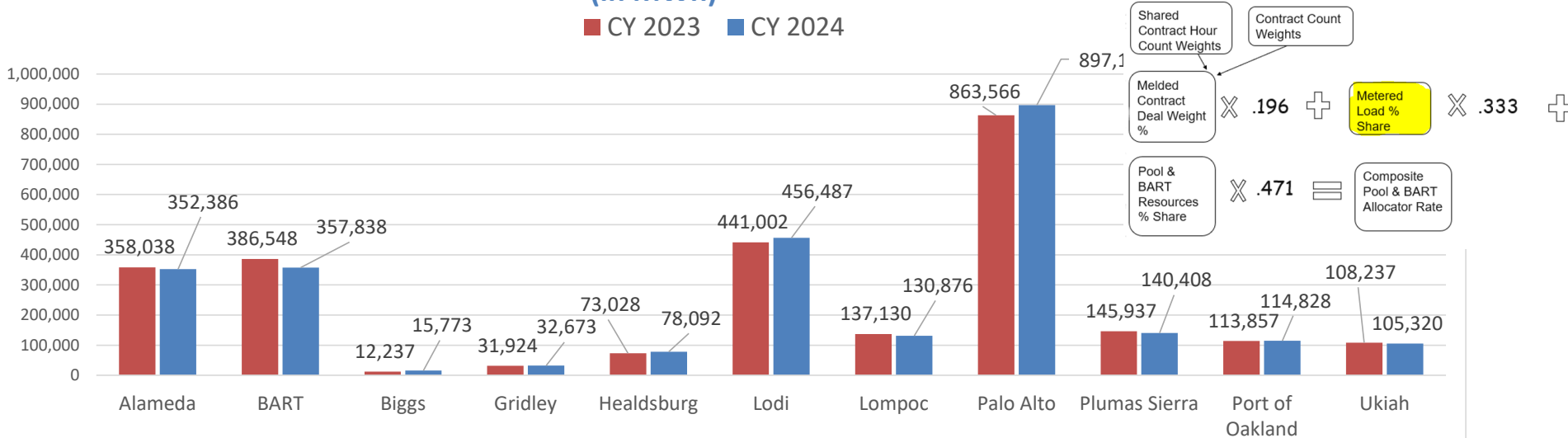


BART-Pool Member Gross Metered Loads (in MWh)

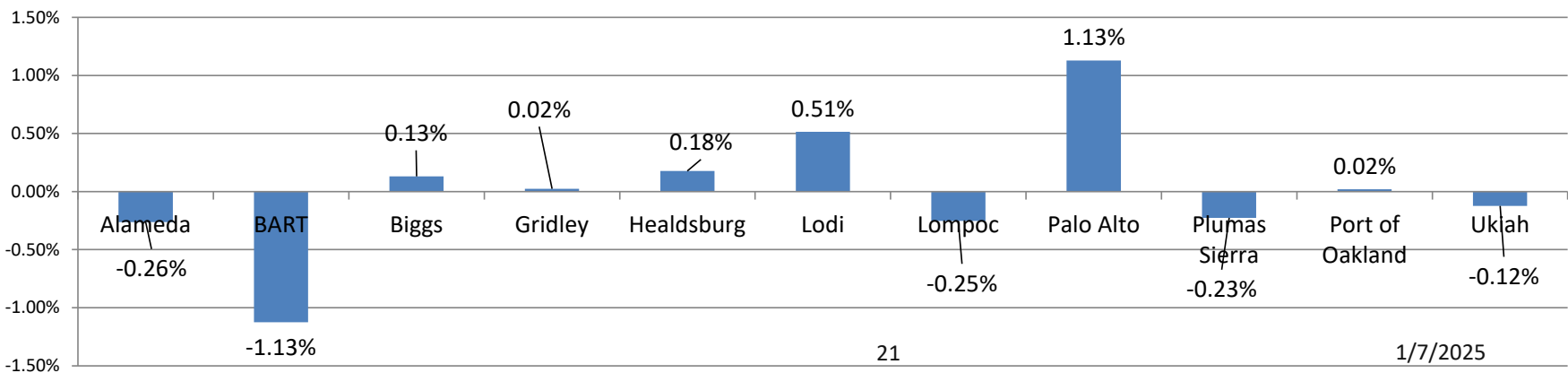
CY24 vs CY23 Pool Member Gross Metered Demand and BART Scheduled Energy

(in MWh)

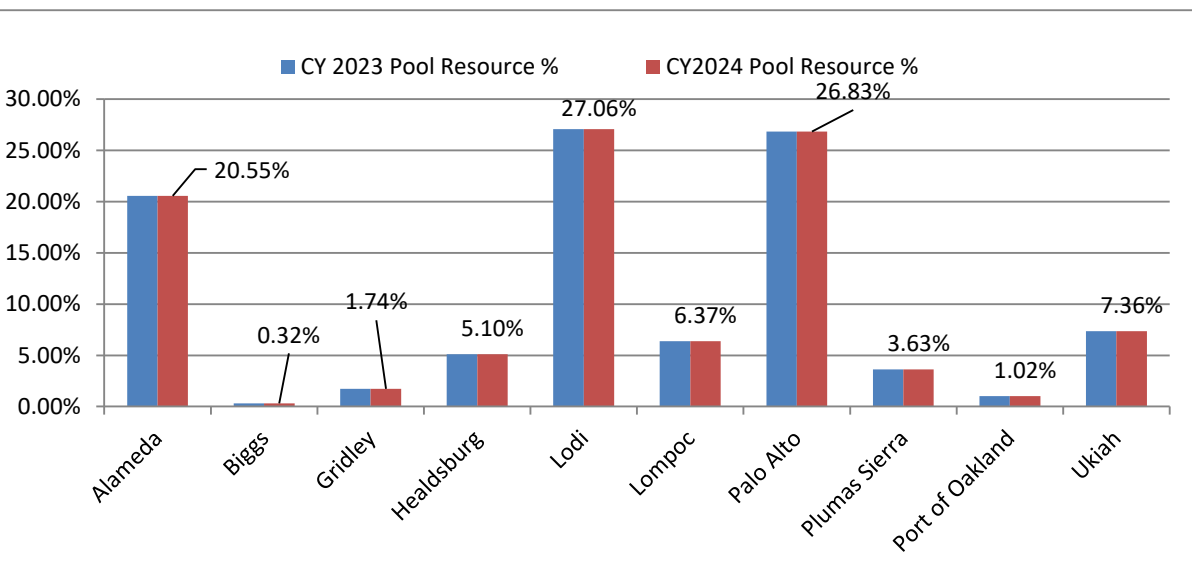
■ CY 2023 ■ CY 2024



Relative Percentage Change

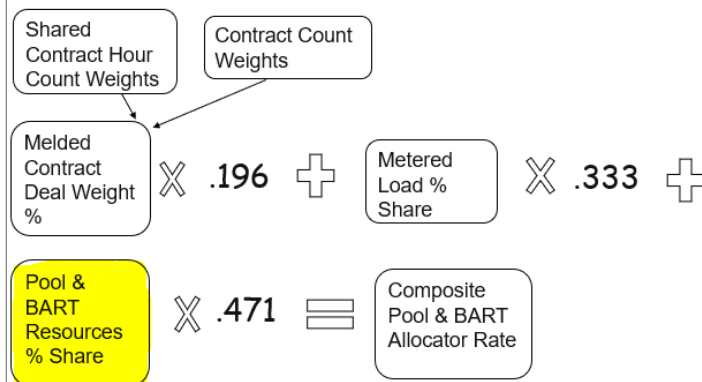
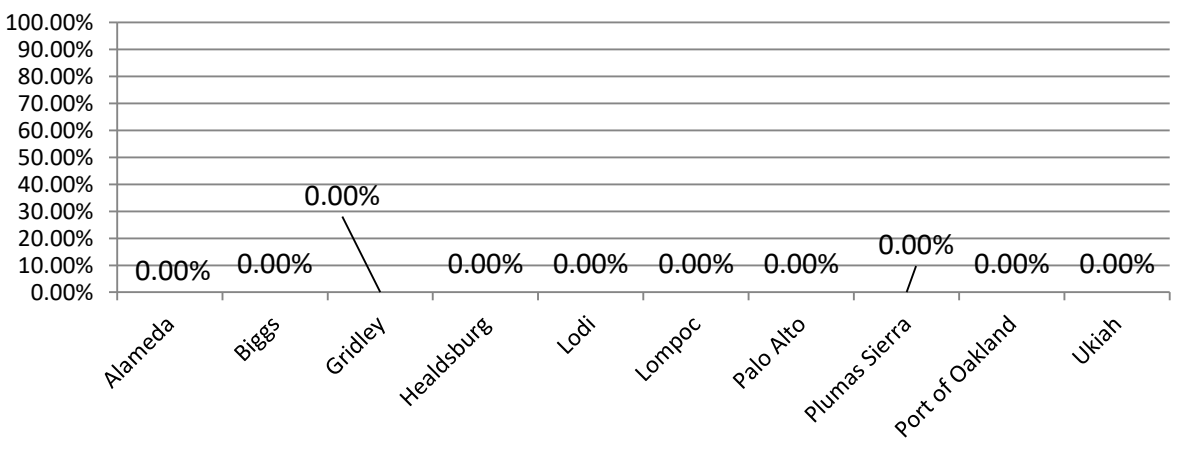


Pool Resources % - CY 2024 vs CY 2023

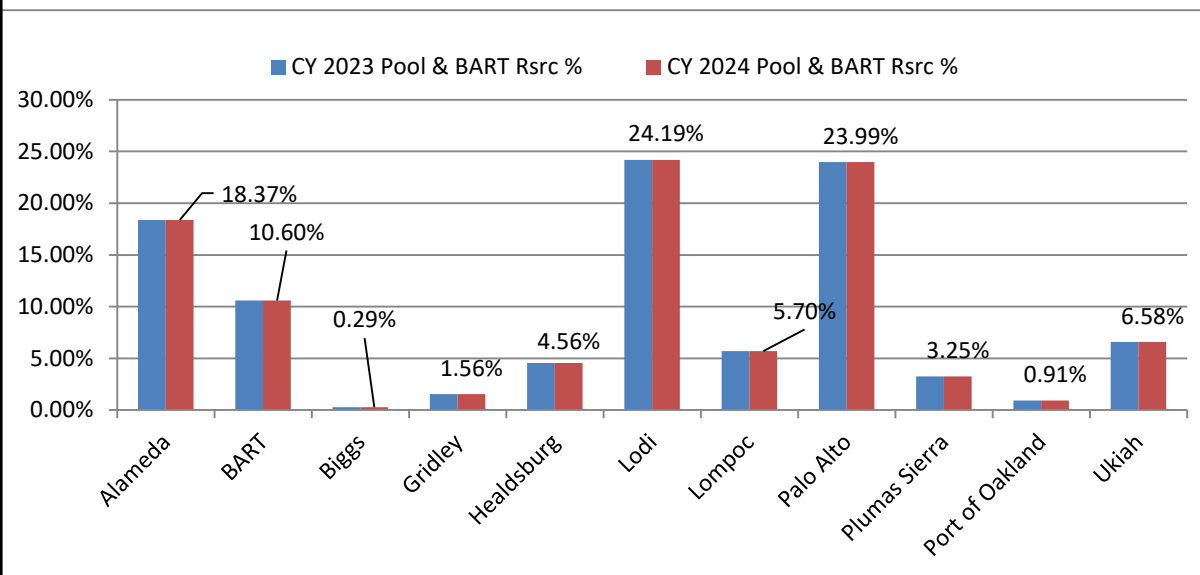


- Pool Member's respective aggregate share in NCPA Projects and Member Resources

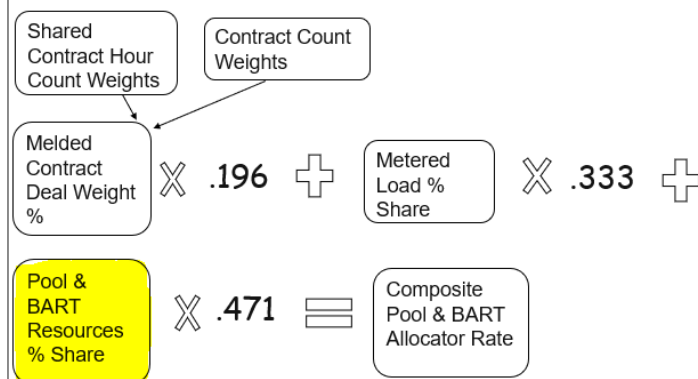
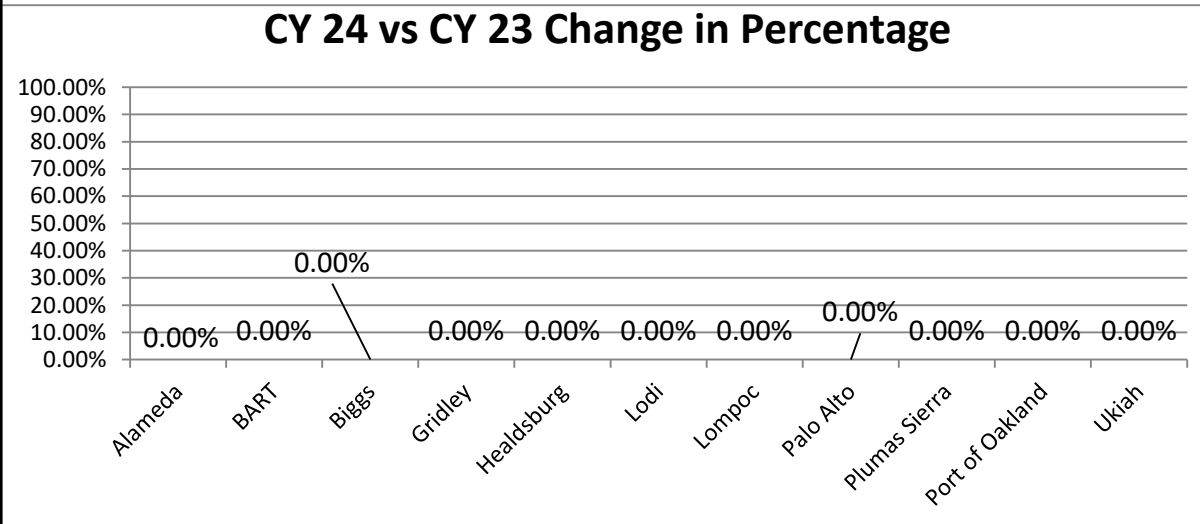
CY 24 vs CY 23 Change in Percentage



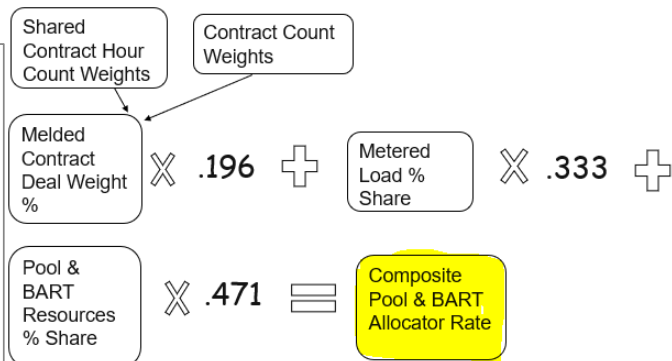
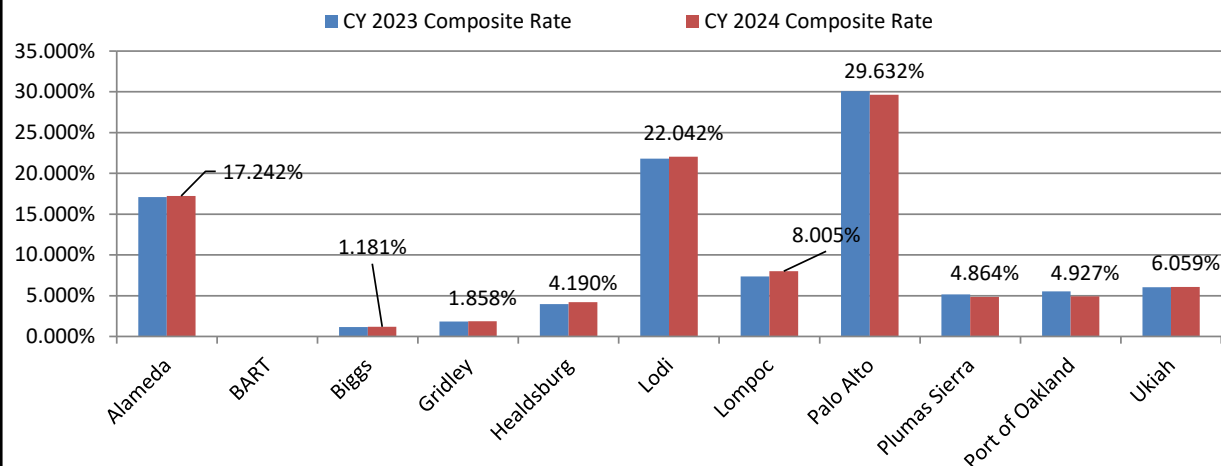
Pool & BART Resources % - CY 2024 vs CY 2023



- Pool & BART Member's respective aggregate share in NCPA Projects and Member Resources

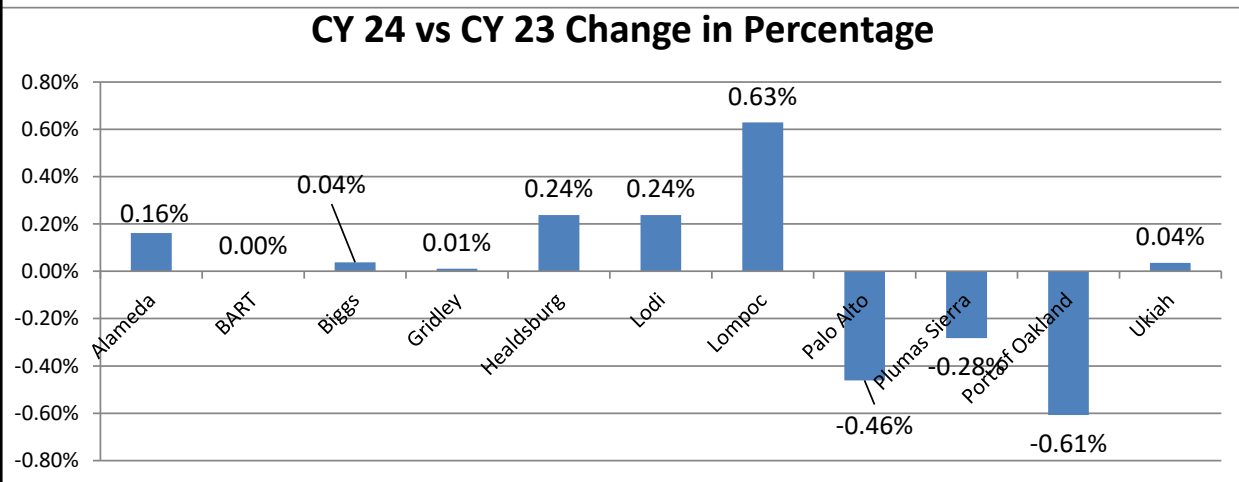


Composite Pool Allocator Rate – Member’s Metered Load 33.3%, Contract Deal 20.1% & Pool Rsrcs 46.6%

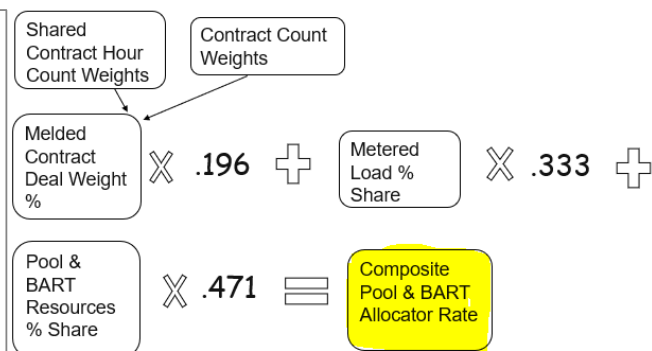
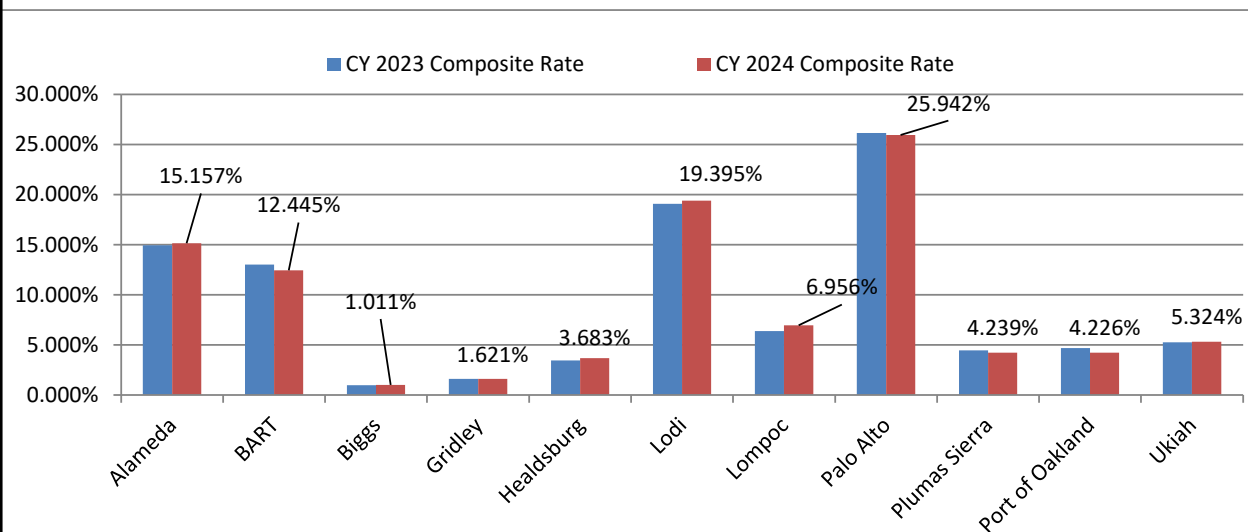


variations of these rates used to allocate approx. \$5.4M:

- \$2.4 M in Direct Pool Costs;
- \$1.8 M for allocated Pool SCALD Costs;
- \$304K ISO Data Validation
- \$636K Pool Sched Energy 1/7/2025

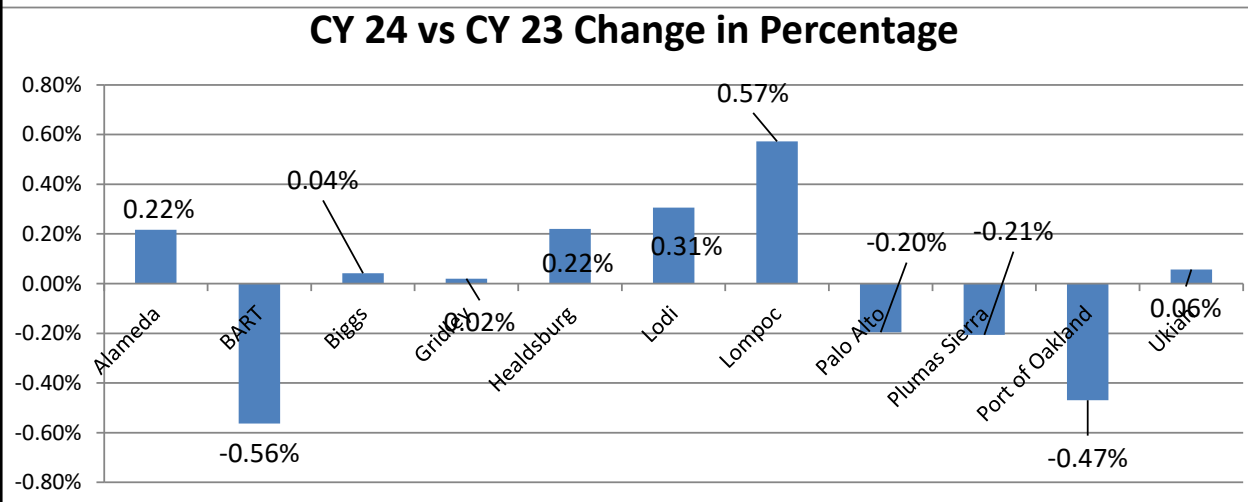


Composite BART-Pool Allocator Rate – Split of Member’s Metered Load %, Contract Deal % & Pool Resources %

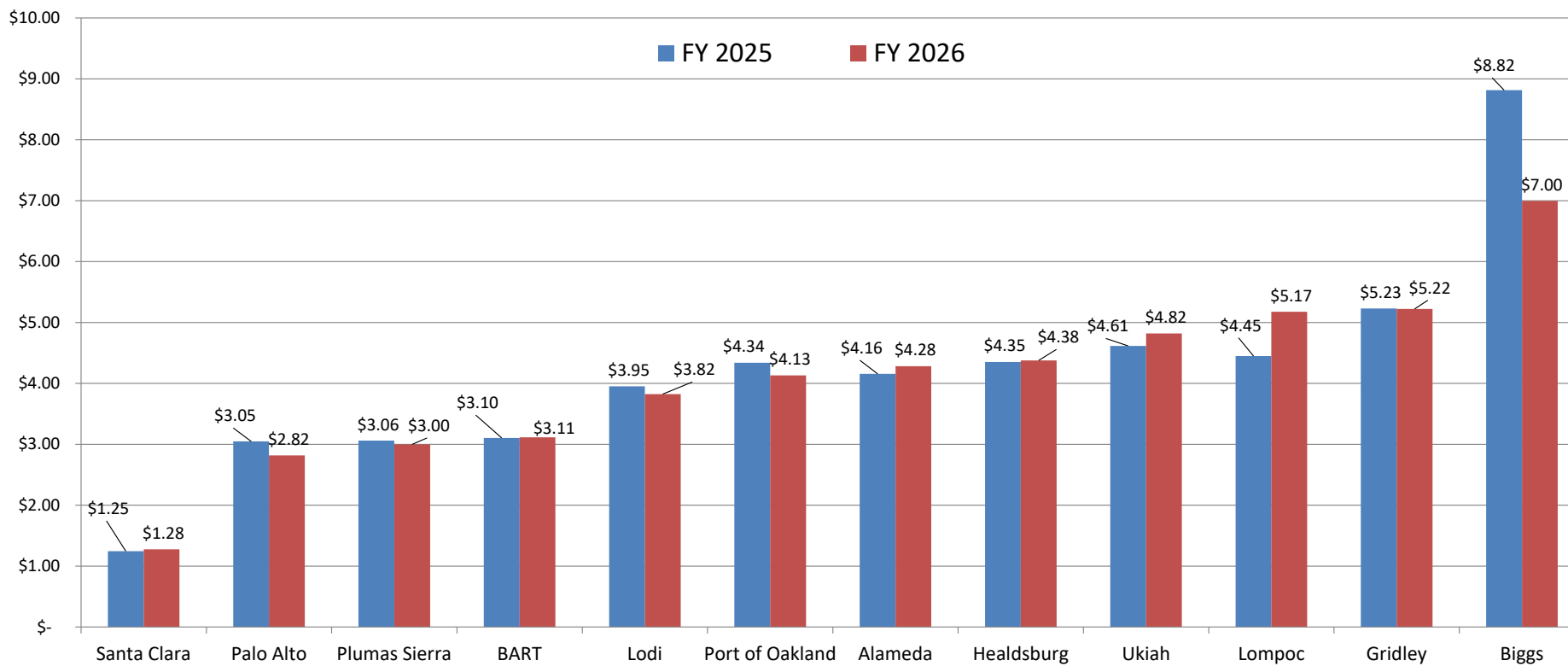


variations of these rates used to allocate approx. \$4.4M:

- \$2.1M in Direct Pool Costs;
- \$1.8M for allocated Pool SCALD Costs;
- \$738K ISO Data Validation



Nexant Costs per Member (\$/MWh Metered Load)



Next Steps

- 1/16/2024 -- Post finalized CY 2024 Nexant data and Cost Allocation Model to NCPA CONNECT Extranet for member review and feedback;
- February 2025 -- Present final Nexant Allocation determinant results at February Facilities Committee
 - will seek committee recommendation for Commission approval