

Review of Nexant Cost Determinants for FY 2018

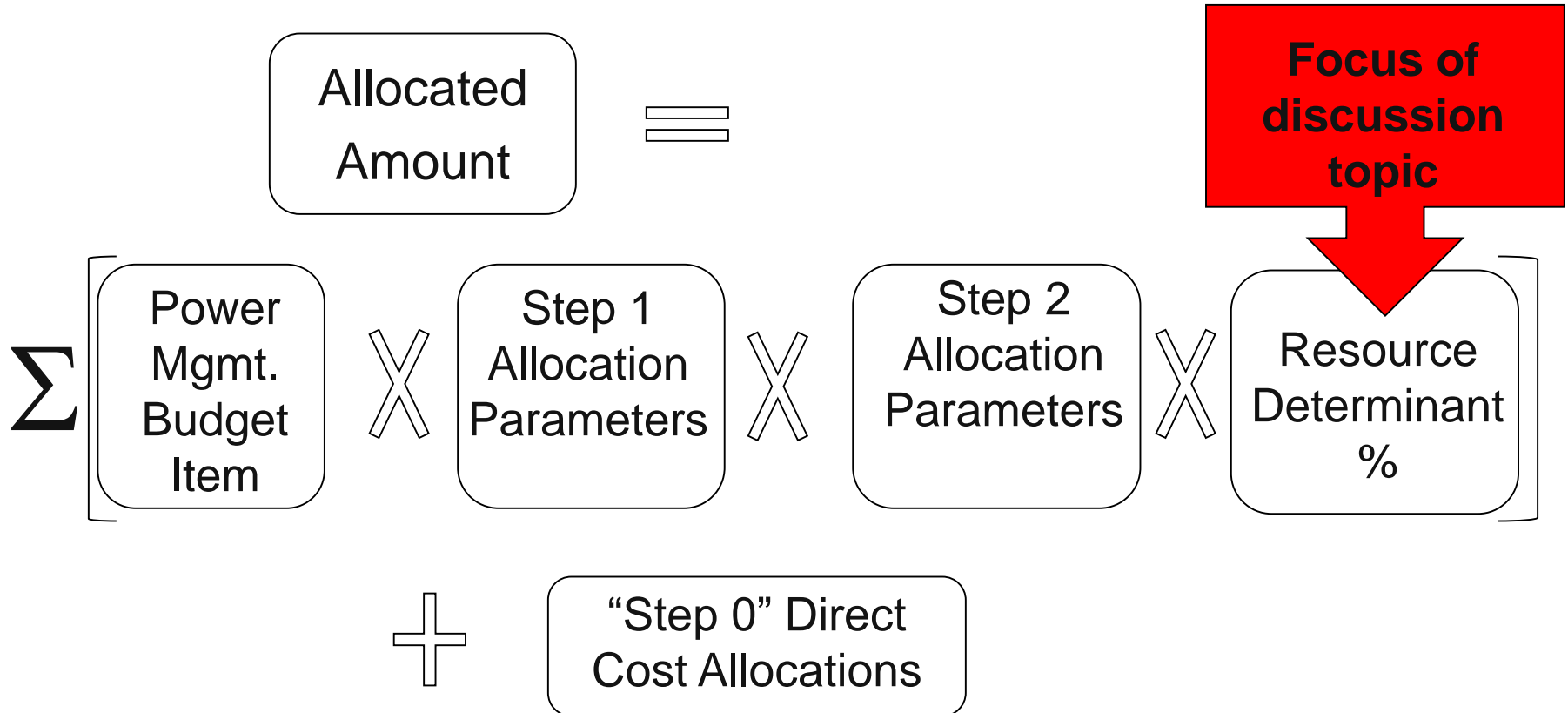
**NCPA Facilities Committee Meeting
January 25, 2017**

FY 2018 Nexant Cost Allocation Model Topics

- Review and finalize current year Nexant Cost Allocation Model results with updated Calendar Year 2016 data;
- Identify and review source of changes to members' costs that result from change in determinants;
- New System of Record with Deal Manager as replacement to Trade Manager deal capture system
- **Note:** This review does not include FY 2018 Budget Amounts or anticipated, recommended changes to Nexant Model allocators.

Nexant Cost Allocation Model Overview

The Nexant Cost Allocation Formula



Initial FY 2018 Nexant Cost Allocation Model updated with CY 2016 determinants

FY 2018

MEMBER TOTALS

	General Power Mgt	Direct Assignments	Pool Allocation	System Integration	Credit Allocation (\$)	FY 2018 Power Mgmt Total Pwr Mgmt	FY 2017 Total Pwr Mgmt	Increase (Decrease)
Alameda	\$652,549		\$266,820	\$25,076		\$944,445	\$932,491	\$11,955
BART	\$424,203	\$183,516	\$107,374	\$9,600		\$724,692	\$712,961	\$11,731
Biggs	\$41,511		\$21,805	\$873		\$64,189	\$53,904	\$10,285
Gridley	\$50,059		\$29,044	\$4,201		\$83,304	\$83,609	(\$305)
Healdsburg	\$108,892		\$51,152	\$2,022		\$162,066	\$180,959	(\$18,893)
Lodi	\$721,217		\$313,954	\$12,852		\$1,048,024	\$1,032,676	\$15,348
Lompoc	\$188,729		\$87,515	\$3,598		\$279,842	\$282,966	(\$3,124)
Palo Alto	\$1,022,137		\$545,149	\$49,079		\$1,616,366	\$1,649,212	(\$32,846)
Plumas Sierra	\$188,542		\$107,700	\$10,202		\$306,444	\$328,354	(\$21,911)
Port of Oakland	\$239,475		\$117,352	\$5,156		\$361,983	\$338,315	\$23,668
Roseville	\$454,955	\$53,526	\$0	\$32,000		\$540,480	\$444,354	\$96,126
Santa Clara	\$2,964,016	\$53,526	\$0	\$102,400		\$3,119,942	\$3,215,052	(\$95,110)
Truckee-Donner	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Turlock Irrigation District	\$96,926	\$7,647	\$0	\$19,200		\$123,772	\$138,519	(\$14,747)
Ukiah	\$279,692		\$125,564	\$8,540		\$413,796	\$388,187	\$25,609
	\$7,432,903	\$298,214	\$1,773,429	\$284,800	\$0	\$9,789,346	\$9,781,559	\$7,787
Direct to Programs - LEC	\$1,148,895	\$145,284		\$25,600		\$1,319,779	\$1,327,566	(\$7,787)
	\$8,581,798	\$443,497	\$1,773,429	\$310,400	\$0	\$11,109,125	\$11,109,125	\$0

Adjustments to CY 2016 Determinants in the Nexant Cost Allocation Model

Resource Schedule Counts

- Added Crow Creek, Elevation, and Western Antelope solar resources
 - PIRP treatment
 - Reflects adjusted 30% Capacity Factor for VERS
 - Added to Pool Resources
- Added Pool Hydro Schedule Counts to Roseville to account for January 2016 through April 2016 layoff

Modifications to CY 2016 Determinants in the Nexant Cost Allocation Model

Contract Counts

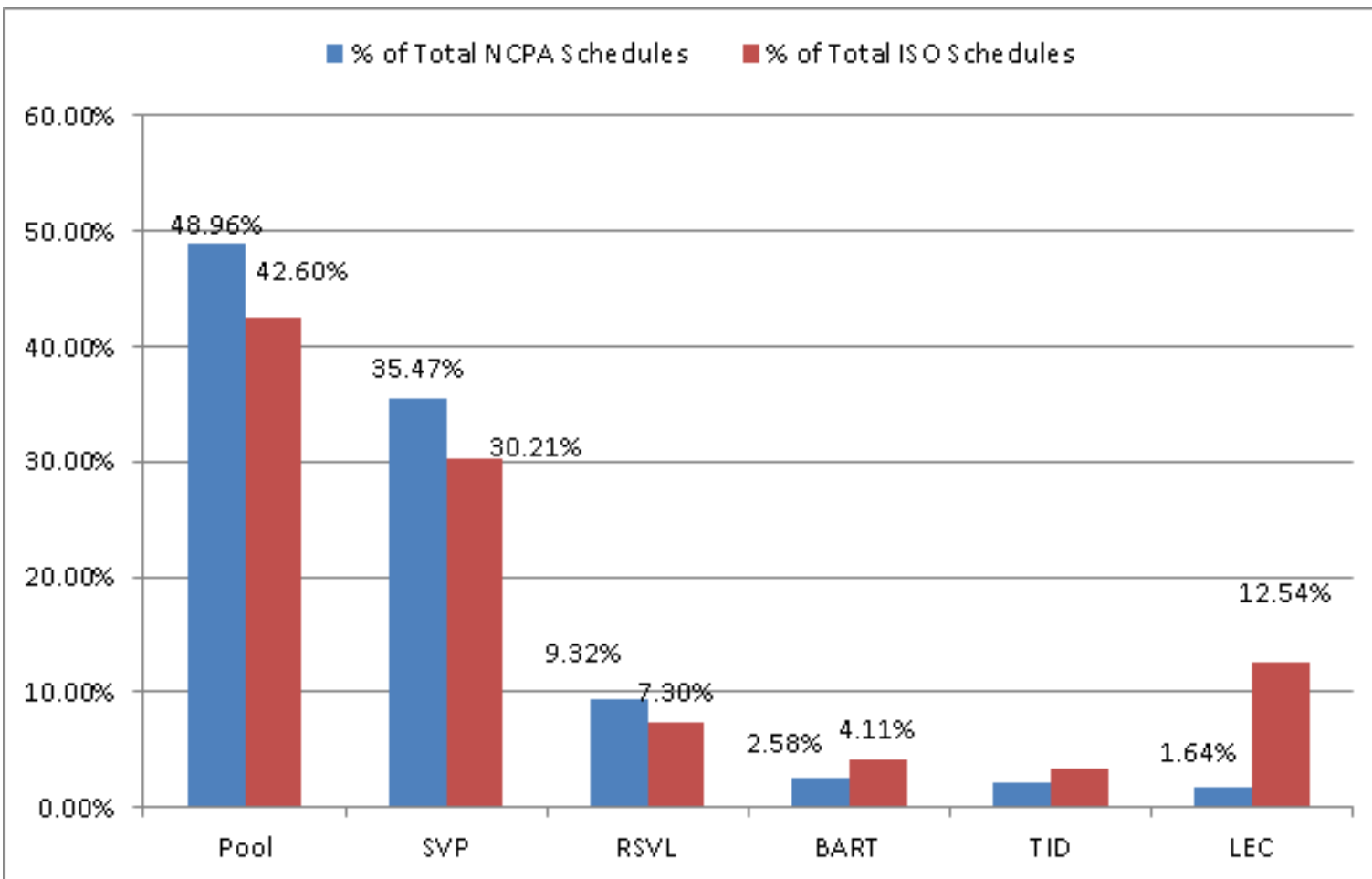
- New deal capture system impacts:
 - Picked up Alameda REC deals for first time
 - Added deals for Gridley Main 1 and Graeagle
 - Proposing to create aggregate Parent Deal ID for each agreement with multiple resources
- Proposed modification for unscheduled contracts to only receive Settlements allocations
 - Excludes non-scheduled transactions from Nexant scheduling deal cost allocations.

FY18 Nexant Cost Allocation Model

OPERATING ENTITY COST DRIVERS

CY 2016 Schedule Counts

% of Total for each OE and Schedule Type



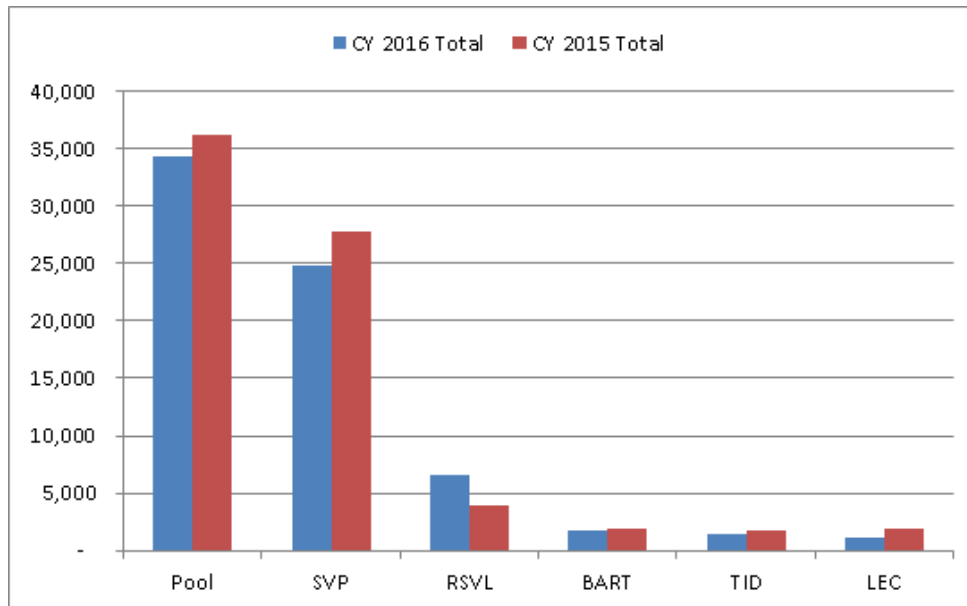
- Total NCPA Schedules: **76.4k**

- (0.3)%** ↓

- Total CAISO Schedules: **42.9k**

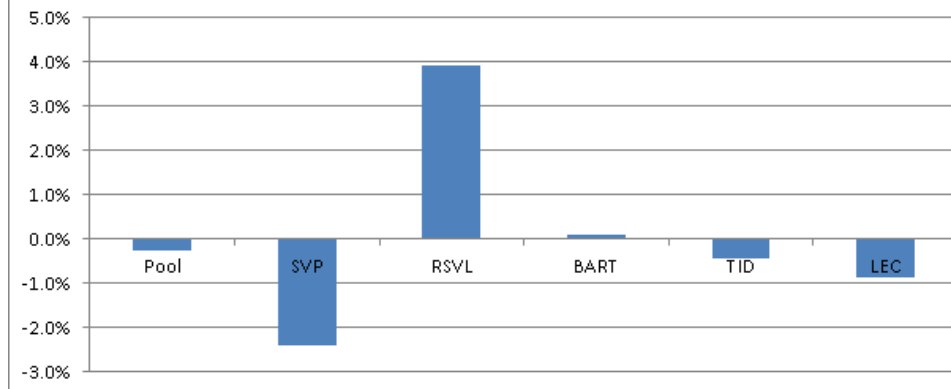
- (0.3)%** ↓

2016 vs 2015 Total Schedule Counts and Relative % Change



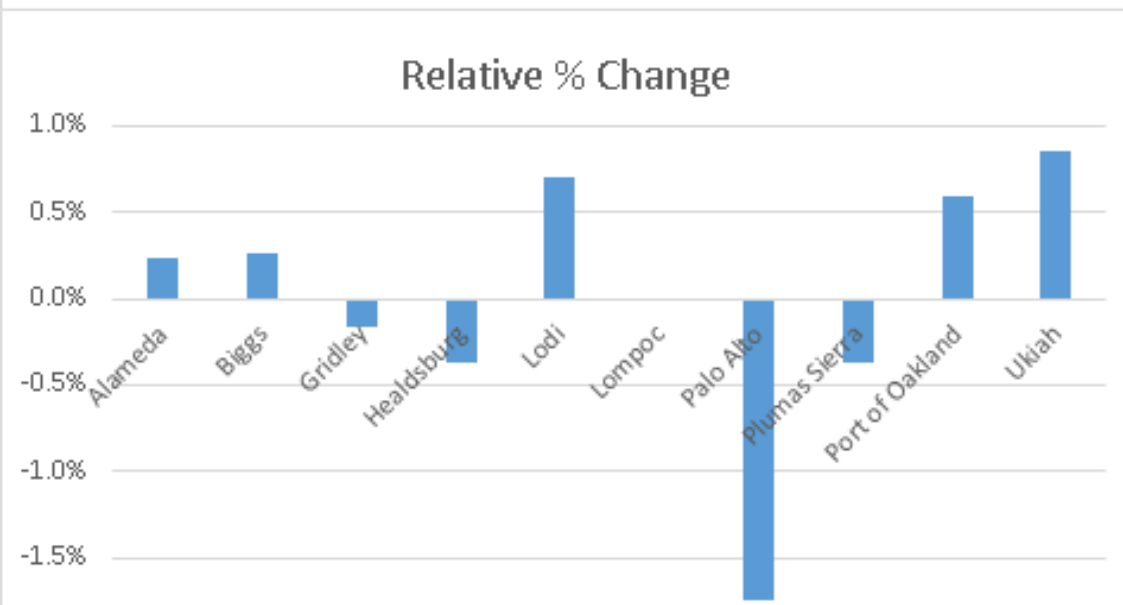
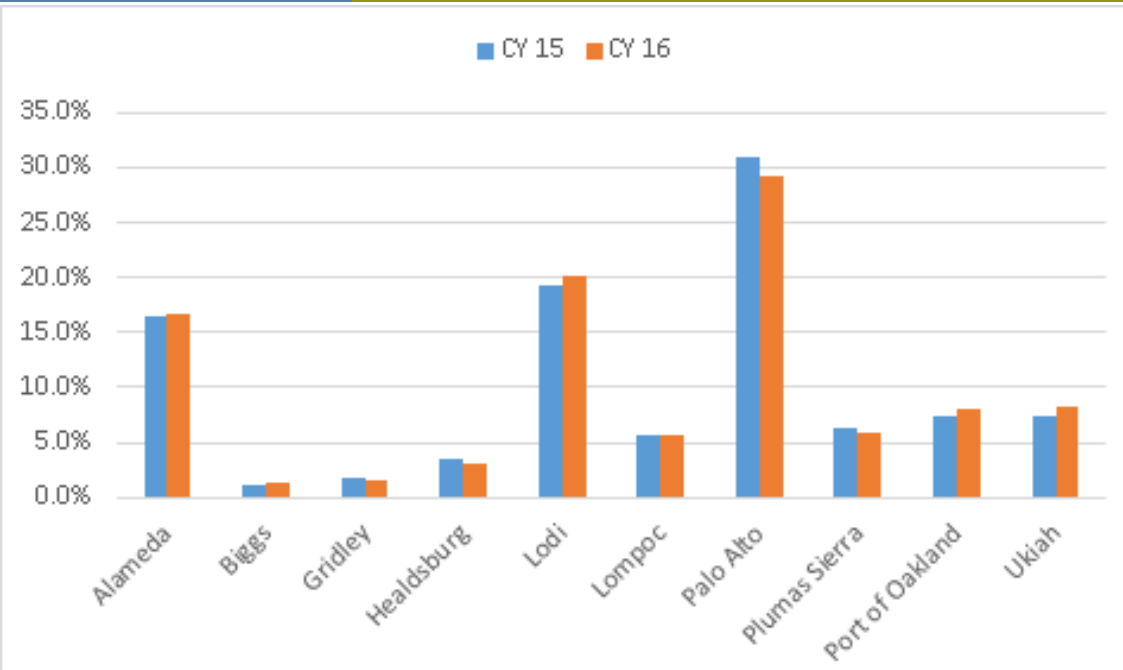
- 1.3K total increase in Day Ahead Schedule Counts
- 4.6K total decrease in Hour Ahead and Real Time Schedule Counts, which varies year-to-year
- Used to allocate \$2.7M for SCALD and Settlements costs to the Operating Entities

CY16 vs CY15 Total Resource Schedule Counts
Relative Percentage Change



FY18 Nexant Cost Allocation Model

POWER POOL COST DRIVERS

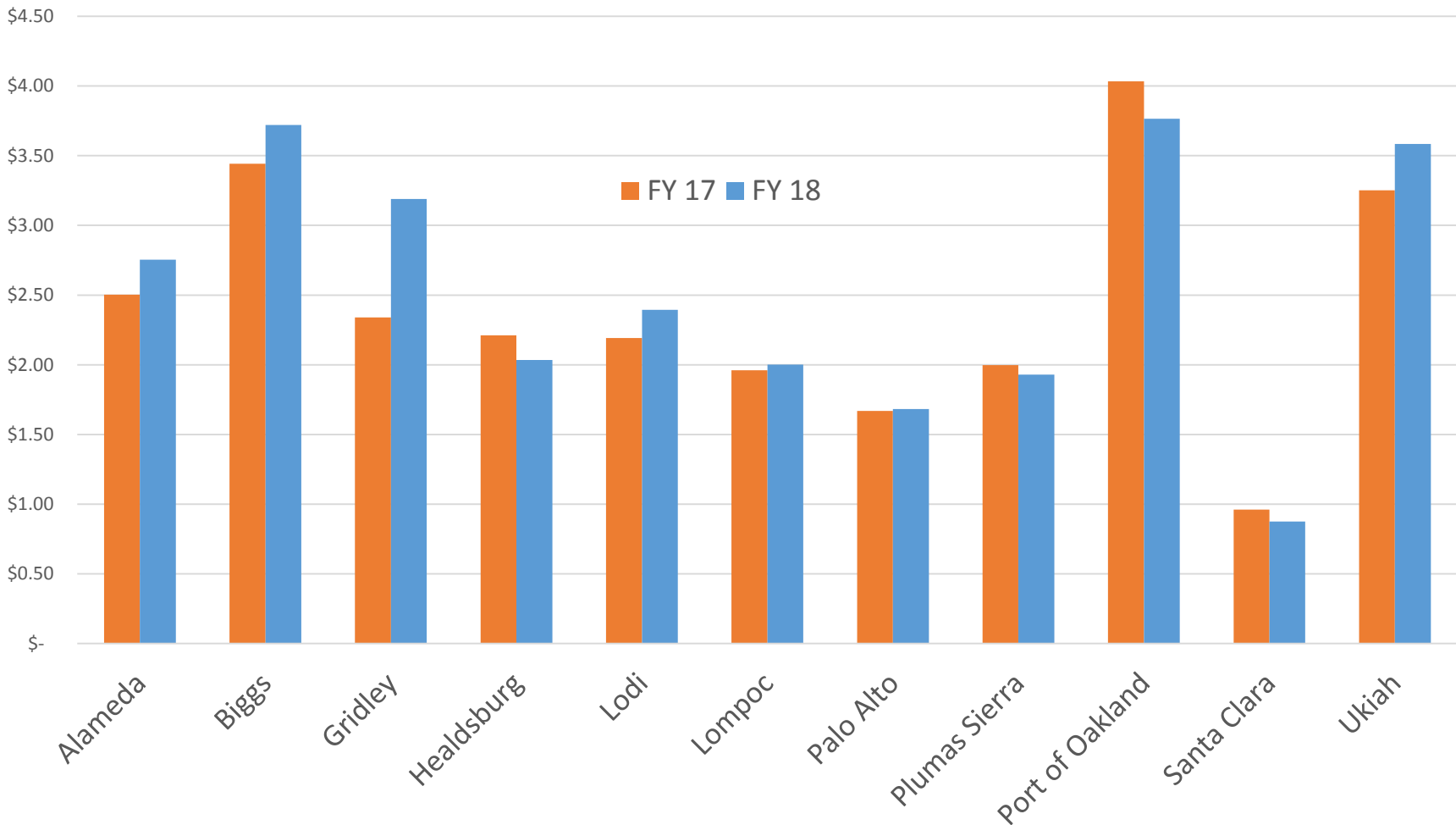


Composite Pool Allocation CY16 vs CY15 Pool %

Used to allocate approx. \$2.5M:

- \$933k in Power Pool Costs;
- \$1.3M for Pool OE Costs;
- \$0.3M IT integrated system

Nexant Costs for each Member (\$/MWh load served)



Questions?