



Strategic Plan

Powering the Future 2021-2026

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Background

- NCPA staff now working to update the Agency's Strategic Plan for the period of CY 2021 – CY 2026
- Strategic plan identifies the current and future needs of the Agency and Members
- Helps the Members and Agency prioritize staffing and resources to support Agency goals
- Strategic plan will include several strategic initiatives and supporting goals; acts as a roadmap but will be updated over time



Strategic Plan *Strategies and Goals*

■ Mission

- To provide our members cost effective wholesale power, delivery support, energy-related services, and advocacy on behalf of public power consumers through joint action

■ Vision

- To be the premier provider of energy services to public entities

■ Goals

- Should describe the desired outcome of NCPA's plans to support its mission and vision
- Should be specific, measurable, accountable, realistic and timely
- Can be short-term & long-term depending on underlying strategies

Legal Committee Review

- Our charge is to review the goals to be sure we are addressing issues of legal risk and liability
- We are not asking for the solutions here, but to evaluate the issues that need to be addressed
- Is there something else we are missing that is of concern to you?
- Provide Legal Committee thoughts into the overall strategic planning process

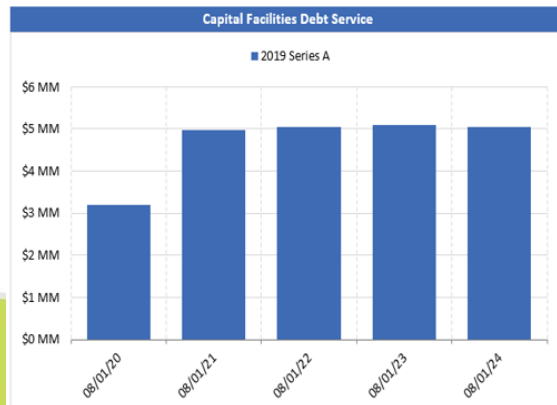
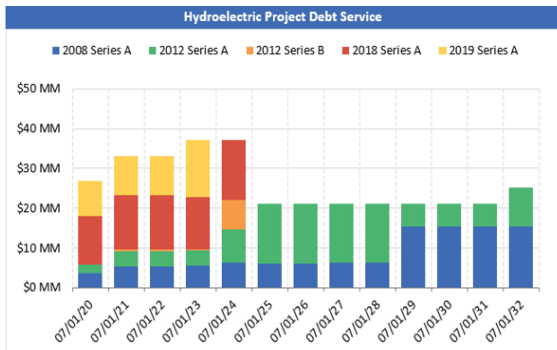
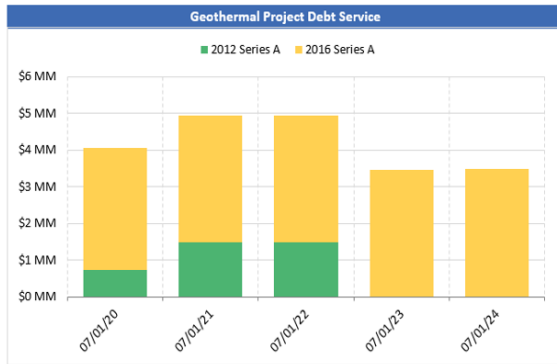
Strategic Initiatives

- Attract; develop and retain professional, diverse, high quality staff and governance
- Advocate; maintain position as a credible, solution-oriented coalition builder and leader in state and federal legislative and regulatory policy areas
- Prepare; develop and maintain diverse generation resource portfolio in accordance with or exceeding renewable portfolio standard and capacity obligations
- **Protect; prepare, use and build on the strengths and unique aspects and aggregation of JPA structure to benefit NCPA's members**
- Value; develop and enhance strategies to control costs and minimize risks while optimizing the value of assets
- Strength; maintain financial strength, grow new revenue and/or reduce member costs by exploring new members/participants and expansion of current services
- Provide products and services that enhance the value that NCPA member utilities provide to their communities, including beneficial customer programs and communication of local accomplishments to stakeholders

Protect; prepare, use and build on the strengths and unique aspects and aggregation of JPA structure to benefit NCPA's members

- Develop a strategy for NCPA's organizational structure for holding, developing or acquiring joint assets

- Should NCPA develop a Transmission JPA?
- Should NCPA create separate corporations, JPAs or public benefit entities to hold each separate project?
- Should NCPA create a form JPA for joint projects with nonmembers?



Project Debt Rolling Off

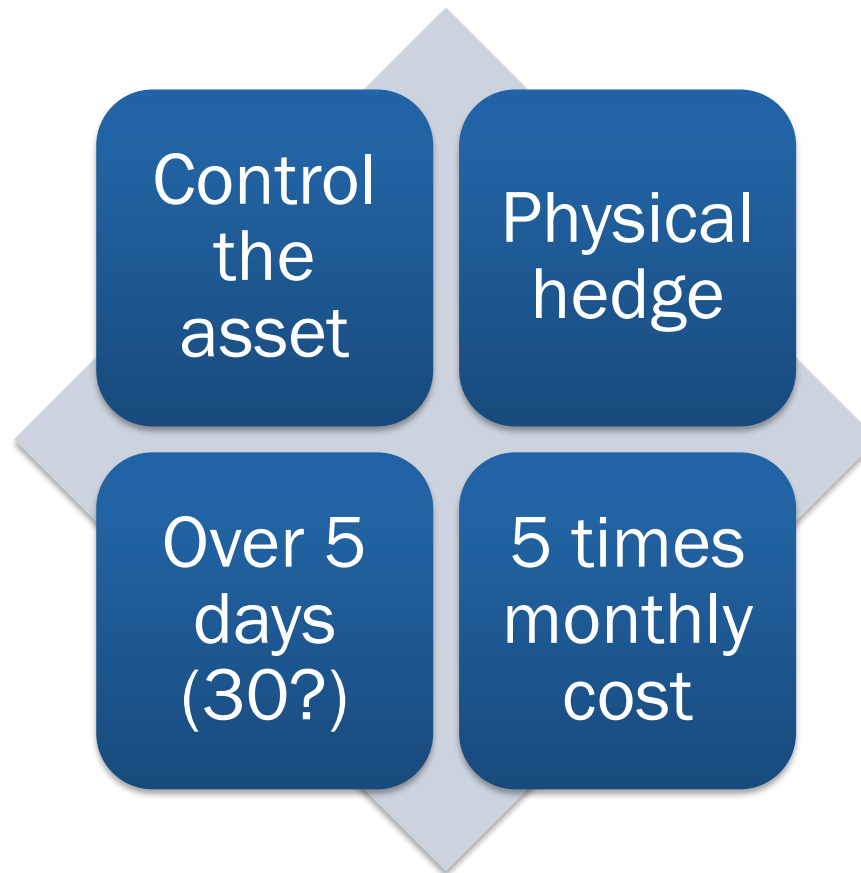
- Geo
 - Final maturity on 7/1/2024
 - Consider changes to the structure prior to adding technology such as battery storage

- Hydro
 - 2024 three series of Hydro bonds are paid off
 - 2032 remaining bonds paid off
 - Original plan was to finance relicensing with bond reduction from 2025 to 2032

- STIG
 - Final maturity on 8/1/2024
 - Discussion with project participants planned on the next life of the project

- *LEC has debt through 2040

Why own/control when a PPA avoids ownership risk?



Protect; prepare, use and build on the strengths and unique aspects and aggregation of JPA structure to benefit NCPA's members

- Create the opportunity for additional services allowed by NCPA's JPA and requested by Members

- What can NCPA do within the scope of the JPA?
- Within those bounds, what other services can NCPA provide to NCPA Members?
- What services would be useful to Members?

NCPA JPA Powers – Article 1 Purpose

- Establish NCPA “for and with the purpose of:
 - Acquiring and disposing of ownership and use of revenue producing facilities, including electric generating and transmitting facilities, and
 - making more efficient use of the common powers of individual parties composing NCPA to acquire, purchase, generate, transmit, distribute, sell, interchange, and pool electric energy and capacity, and

NCPA JPA Powers Article 1 Purpose (cont.)

- with the further purpose to develop all other reasonably necessary or appropriate powers to provide greater individual and group efficiency through the coordination indicated in this Agreement to the extent permitted by the laws and regulations governing such operations.

NCPA JPA Article III Powers and Functions

- . . . Generally do any and all things necessary or convenient to provide adequate supplies of firm and reliable power to its members.
 - Acquire and dispose of property
 - Issue bonds
 - Obtain permits, licenses, opinions and rulings
 - Form and administer nonprofit corporations
 - Perform its duties in the same manner as a general law city
 - NCPA holds all of the debts, liabilities and duties

Protect; prepare, use and build on the strengths and unique aspects and aggregation of JPA structure to benefit NCPA's members

- Review and update associate membership (AM) policy, guidelines and criteria for AMs as a step to membership

- What does the JPA allow?
- Should NCPA reinitiate recruiting associate members?
- If so, what types of members would strengthen NCPA and support current member goals?
- What types of members would increase NCPA's ability to influence CAISO, and NCPA's ability to influence policies, laws and regulations?

JPA Associate Member Rights & Limitations

- AMs – can have non-voting representative on the Commission (A.II¶7)
- NCPA Projects or Programs allow for AM and participant voting privileges (A.II¶8.b)
- Receive assignments of WAPA energy (A.III¶1.v)
- Members – any preference power purchaser or potential preference power purchaser of WAPA energy and public agency (A.IV¶1, Gov. Code 6500)
- AM pay costs of NCPA's operations as established in the AM agreement including costs (A.IV¶7)

Associate Members, Participants and Customers

- Plumas-Sierra REC is an AM and an active participant in many NCPA projects
- LEC structure includes nonmember participants
- NCPA customers such as MeID and SJCE currently take Power Management services from NCPA but have no other participation within NCPA
- Traditionally, NCPA used the AM slot to give potential new members a chance to fully understand NCPA (abused in the past)
- Are there entities in conflict with your clients?

Comments
Questions
Things to Consider