A PUBLIC AGENCY

NCPA

NORTHERN CALIFORNIA POWER AGENCY

AND

ASSOCIATED POWER CORPORATIONS

Combined Financial Statements Including Independent Auditors' Report

As of and For the Years Ended June 30, 2020 and 2019

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Combined Financial Statements

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As of and For the Years Ended June 30, 2020 and 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited the accompanying combined financial statements of the Northern California Power Agency and Associated Power Corporations (the "Agency"), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Agency as of June 30, 2020 and 2019, and the respective changes in combined financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the combined basic financial statements. Such information, although not a part of the combined basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the combined basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined basic financial statements, and other knowledge we obtained during our audit of the combined basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's combined basic financial statements as a whole. The combining statements of net position, combining statements of revenues, expenses and changes in net position, combining statements of cash flows (combining financial statements) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the combined basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined basic financial statements or to the combined basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects, in relation to the combining basic financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Agency's combined basic financial statements. The schedule of generation entitlement shares is presented for purposes of additional analysis and is not a required part of the combined basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
October 5, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The management of Northern California Power Agency (the Agency or NCPA) offers the following narrative discussion and analysis of its financial performance for the years ended June 30, 2020 and 2019. This discussion should be read in conjunction with the Agency's combined financial statements and accompanying notes, which follow this section.

BACKGROUND

The Northern California Power Agency is a joint powers agency formed by member public entities under the laws of the State of California to provide cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers. The Agency's purposes are for purchasing, generating, transmitting, and selling electrical energy and for providing other related services to its members and customers as each may require. The Agency provides a portion of certain of its members' power needs and certain of its members also self-provide and/or purchase power and transmission from other public and private sources.

NCPA is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property, and business of the Agency. Under the direction of the General Manager, the staff of the Agency is responsible for providing various administrative, operating and planning services for the Agency.

The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each of the Agency's members may choose which projects it wishes to participate in, and is known as a "project participant" for each such project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, or reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements).

Power sales by the Agency to its members for their resale include both sales of power to project participants generated by operating plants and power purchased from outside sources. Collections for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or cost stabilization may be included in collections under the terms of bond indentures. The Agency's collections for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or the Federal Energy Regulatory Commission (FERC). Rather, the Agency's collections are established annually in connection with its budget, which is approved by its governing Commission.

Various legal and tax considerations caused the Agency to provide that separate not-for-profit corporations should be delegated by the Agency to own the geothermal electrical generating projects undertaken by the Agency ("the Associated Power Corporations"). The Associated Power Corporations, consisting of Northern California Municipal Power Corporation Nos. Two and Three, have delegated to the Agency the authority to construct, operate, and manage their respective geothermal plants and related assets. The Agency, in return for financing the costs of acquisition and construction, acquires all the capacity and energy generated by the plants.

Because the Agency is a separate, special-purpose governmental entity that serves its participating members, who are also the Agency's principal customers, the net results of operations flow through to its participating members as either net revenues or net expenses.

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FINANCIAL REPORTING

For accounting purposes, the Agency is a special-purpose governmental entity that is engaged in a business-type activity, principally as a supplier of wholesale electricity and transmission to its member participants. As such, the Agency's financial statements are presented as an enterprise type fund.

The records of the Agency and the Associated Power Corporations are maintained substantially in accordance with the FERC Uniform System of Accounts. Accounting principles generally accepted in the United States of America are applied by the Agency in conformance with pronouncements of the Governmental Accounting Standards Board (GASB). The combined financial statements encompass the Agency and Associated Power Corporations on an accrual accounting basis. All significant intercompany balances and transactions have been eliminated from the combined amounts reported.

In accordance with GASB Statement of Government Accounting Standards No. 62, *Codification of Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting (GASB No. 62),* the Agency has recorded as regulatory assets and liabilities certain items of expense and revenue that otherwise would have been charged to operations as such items will be recovered in future years' operations. The Agency expects to recover these items in collections over the term of the related debt obligations it has issued or when the obligation is paid.

Implemented in FY 2020, GASB Statement of Government Accounting Standards No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. It postponed Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

Implemented in FY 2019, GASB Statement of Government Accounting Standards No. 83, *Certain Asset Retirement Obligations,* established standards for accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays to be incurred.

COMBINED STATEMENTS OF NET POSITION, COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, AND COMBINED STATEMENTS OF CASH FLOWS

The combined statements of net position includes the Agency's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position using the accrual method of accounting, as well as information about which assets can be used for general purposes and which assets are restricted as a result of bond covenants and other commitments. The combined statement of net position provides information about the nature and amount of resources and obligations at a specific point in time. The combined statements of revenues, expenses, and changes in net position report all the revenues and expenses during the time periods indicated. The combined statements of cash flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and debt financing, and other cash uses, such as payments for debt service and capital additions.

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FINANCIAL HIGHLIGHTS

The following is a summary of the Agency's combined financial position and results of operations for the years ended June 30, 2020, 2019, and 2018.

Condensed Statement of Net Position	June 30, (in thousands) 2020	2019	2018 (Restated)
Assets and Deferred Outflows of Resources			
Current assets	$ 184,673	$ 143,548	$ 162,075
Non-current assets	148,482	169,127	147,738
Electric plant, net	474,821	502,479	531,337
Other assets	226,154	224,403	231,430
Total Assets	1,034,130	1,039,557	1,072,580
Deferred outflows of resources	101,256	112,427	123,280
	$ 1,135,386	$ 1,151,984	$ 1,195,860
Liabilities, Deferred Inflows of Resources and Net Position			
Long-term debt, net	$ 600,636	$ 647,273	$ 694,597
Current liabilities	118,860	103,344	95,389
Non-current liabilities	282,347	272,445	277,063
Total Liabilities	1,001,843	1,023,062	1,067,049
Deferred inflows of resources	93,152	90,546	90,743
Net position:			
Net investment in capital assets	(25,158)	(21,468)	(30,038)
Restricted	30,407	22,983	29,402
Unrestricted	35,142	36,861	38,704
	$ 1,135,386	$ 1,151,984	$ 1,195,860

Condensed Statements of Revenues, Expenses and Changes in Net Position	Year ended June 30, (in thousands) 2020	2019	2018 (Restated)
Operating revenues	$ 604,894	$ 699,166	$ 562,392
Operating expenses	(565,454)	(656,115)	(510,714)
Net operating revenues	39,440	43,051	51,678
Other expenses	(27,329)	(20,774)	(25,559)
Future refundable costs	2,201	(7,791)	(11,797)
Refunds to participants	(12,297)	(14,178)	(10,314)
Change in net position	2,015	308	4,008
Net position, beginning of year	38,376	38,068	34,060
Net position, end of year	$ 40,391	$ 38,376	$ 38,068

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ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

2020 Compared to 2019 - Current assets increased $41.1 million or 28.6% from the prior year, primarily due to accrual of final insurance reimbursement for LEC turbine replacement, increase in cash and cash equivalents due to timing of collections and payments of debt service and increase in cash and cash equivalents and short term investments due to anticipated payment for operations.

2019 Compared to 2018 - Current assets decreased $18.5 million or 11.4% from the prior year, primarily due to timing of collections and payments of transmission costs, energy sales and purchases and operating use availability.

Non-current Assets

2020 Compared to 2019 – Non-current assets, consisting mainly of long term investments, decreased $20.6 million or 12.2% from the prior year. This is primarily due to timing of collections, payment of funds for debt service and anticipated payments for operations.

2019 Compared to 2018 – Non-current assets increased $21.4 million or 14.5% from the prior year. This is primarily due to funds used for capital development projects net of increased investment mark to market adjustment as a result of lower interest rates compared to prior year.

Electric Plant, net

2020 Compared to 2019 - The Agency has invested approximately $474.8 million in plant assets, net of accumulated depreciation, at June 30, 2020. Net utility plant comprises approximately 41.8% of the Agency's assets. The $27.7 million or 5.5% decrease from the prior year consists of an increase of $30.9 million in accumulated depreciation, offset by net capital expenditures of $3.4 million. For additional detail, refer to Note B – Significant Accounting Policies.

2019 Compared to 2018 - The Agency has invested approximately $502.5 million in plant assets and construction work in progress, net of accumulated depreciation, at June 30, 2019. Net utility plant comprises approximately 43.6% of the Agency's assets. The $28.9 million or 5.4% decrease from the prior year consists of an increase of $30.9 million in accumulated depreciation, offset by net capital expenditures of $2.0 million. For additional detail, refer to Note B – Significant Accounting Policies.

Deferred Outflows

2020 Compared to 2019 - Total deferred outflows of resources decreased $11.2 million or 9.9% due to the 2019A Refunding Capital Facilities debt refunding and due to the scheduled amortization of excess of cost on refunding of debt of $10.9 million, decrease of deferred pension and OPEB contributions of $0.1 million and decrease of deferred ARO of $0.1 million.

2019 Compared to 2018 - Total deferred outflows of resources decreased $10.9 million or 8.8% due to the scheduled amortization of excess of cost on refunding of debt of $8.6 million, decrease of deferred pension and OPEB contributions of $2.2 million and decrease of deferred ARO of $0.1 million.

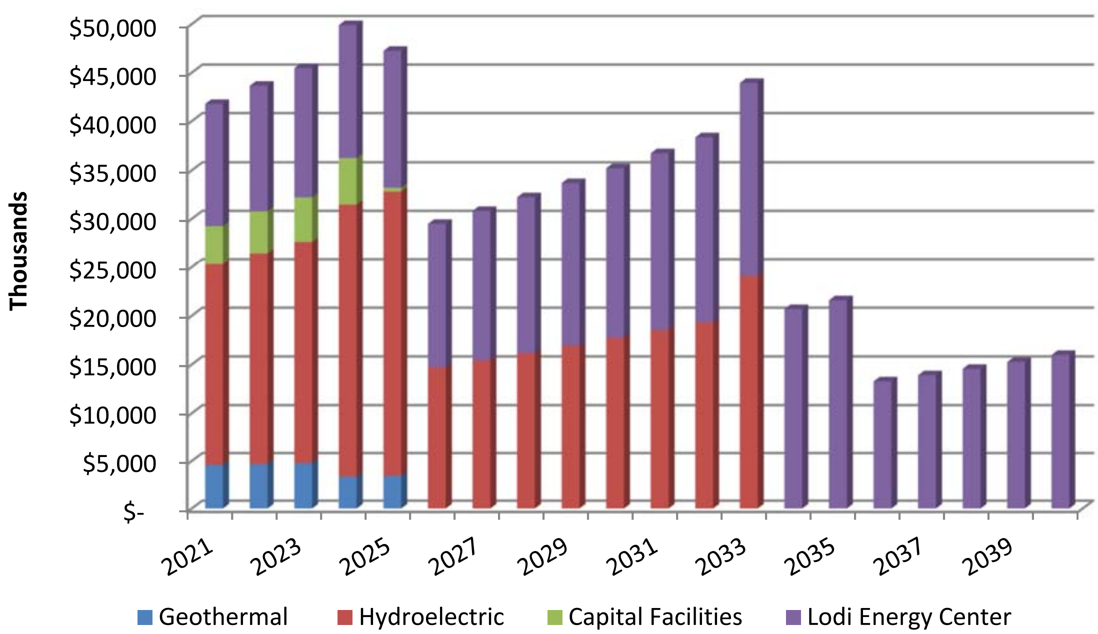
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Long-Term Debt, net

2020 Compared to 2019 - Long-term debt, net decreased $46.6 million or 7.2% in 2020 as a result of scheduled principal payments of $33.3 million, net premium amortization of $3.5 million, and a net decrease of $2.7 million related to the following refunding: Capital Facilities Revenue Bonds 2019 Refunding Series A that refunded the Capital Facilities Revenue Bonds 2010 Refunding Series A. The net decrease also includes a decrease for the net transfer of the current portion of long-term debt of $7.1 million. For additional detail, refer to Note E - Projects and Related Financing.

2019 Compared to 2018 - Long-term debt, net decreased $47.3 million or 6.8% in 2019 as a result of scheduled principal payments of $42.3 million, net premium amortization of $2.6 million, and a net decrease of $11.4 million related to the following refunding: Hydroelectric Project One Revenue Bonds 2019 Refunding Series A that refunded the Hydroelectric Project One Revenue Bonds 2010 Refunding Series A. These decreases were offset by an increase for the net transfer of the current portion of long-term debt of $9.0 million. For additional detail, refer to Note E - Projects and Related Financing.

The following table shows the Agency's scheduled annual debt service principal payments through FY 2040 as of June 30, 2020:



Current Liabilities

2020 Compared to 2019 - Current liabilities increased by $15.5 million or 15.0% in 2020. This is primarily due to increases in accounts payable of $11.3 million for accrued capital payable for turbine replacement, purchased energy and transmission costs and increases in current portion of long-term debt of $7.1 million offset by decreases in operating reserves of $2.6 million for projects and decreases in other liabilities of $0.3 million.

2019 Compared to 2018 - Current liabilities increased by $7.9 million or 8.3% in 2019. This is primarily due to increases in accounts payable of $16.9 million for purchased energy and transmission costs offset by decreases in current portion of long-term debt of $9.0 million.

Other Non-Current Liabilities

2020 Compared to 2019 - Non-current liabilities increased by a net amount of $9.9 million or 3.6% in 2020. This was primarily due to increased operating reserves of $7.2 million for deposits and interest earnings, increased interest rate swap liability of $4.3 million and increased asset retirement obligations of $1.5 million offset by decreased net pension and OPEB liability of $3.1 million.

2019 Compared to 2018 - Non-current liabilities decreased by a net of $4.6 million or 1.7% in 2019. This was primarily due to decreased net pension and OPEB liability of $9.9 million offset by increased asset retirement obligations of $1.5 million increased for inflation, increased operating reserves of $0.3 million for interest earnings, and increased interest rate swap liability of $3.5 million.

Deferred Inflows

2020 Compared to 2019 – Total deferred inflows of resources increased $2.6 million or 2.9% due to deferral of certain revenues related to the amortization of construction advances and operating fixed assets totaling $3.7 million offset by reduction in net pension and OPEB expense liability of $1.1 million.

2019 Compared to 2018 – Total deferred inflows of resources decreased $0.2 million or 0.2% due to deferral of certain revenues related to the amortization of construction advances and prepaids totaling $2.8 million and net pension and OPEB expense amortization of $2.6 million.

CHANGES IN NET POSITION

The Agency is intended to operate on a not-for-profit basis. Therefore, net position primarily represents differences between total revenues collected, based on estimated operating expenses and debt service, and the total actual expenses incurred. In subsequent periods of operation, excess collections (net of encumbrances) may be refunded to participants or appropriated for other uses at the discretion of the Agency's governing Board of Commissioners. In the event the Agency incurs a net expense at year-end, the balance would be subject to recovery from participants under the terms of the related participating member agreements. See Notes A, B and E to the Combined Financial Statements.

Operating Revenues

Operating revenues consist of Participants Revenue, California Independent System Operator (CAISO) Energy Sales and Ancillary Services (A/S) Revenues and Other Revenues.

2020 Compared to 2019 - Operating revenues for fiscal year 2020 were approximately $94.3 million or 13.5% less than in the prior fiscal year. This was the net result of the following: (1) decreased revenue from non-members of $5.8 million for their share of energy contracts and transmission costs, and (2) lower overall plants' generation of 1,979,967 MWh versus 3,016,295 MWh in the prior year.

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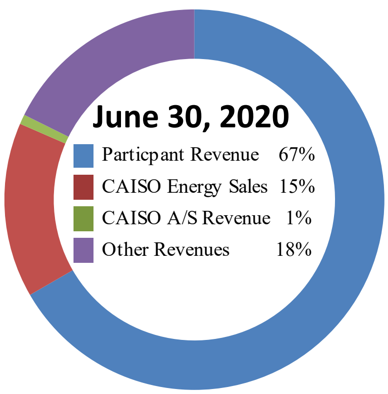
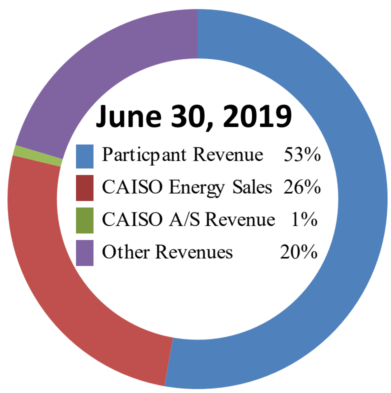
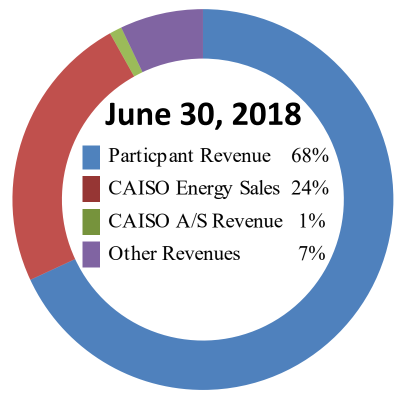
2019 Compared to 2018 - Operating revenues for fiscal year 2019 were approximately $136.8 million or 24.3% higher than in the prior fiscal year. This was the net result of the following: (1) revenue from non-members of $67.1 million for their share of energy contracts and transmission costs, (2) higher overall plants' generation of 3,016,295 MWh versus 2,368,663 MWh in the prior year, and (2) higher collections for transmission costs due to increased generation.

OPERATING REVENUES BY SOURCES







Operating Expenses

2020 Compared to 2019 - Operating expenses were $565.5 million in FY 2020, a decrease of $90.7 million from FY 2019. Purchased power expense was $74.5 million lower in 2020 primarily due to decreased energy purchased to fulfill energy requirements for member and non-member participants. Operations expense decreased $28.2 million primarily due to decreased fuel usage for the LEC and water costs for Hydro (see Operating Revenues). Maintenance expenses were $5.4 million higher than in FY 2020 primarily due to forced outages at LEC, CT1, Hydro and GEO resulting in higher plant maintenance costs. Additionally, the increase in transmission costs of $4.1 million was due to increases in wheeling access charges.

2019 Compared to 2018 - Operating expenses were $656.1 million in FY 2019, an increase of $145.4 million from FY 2018. Purchased power expense was $74.3 million higher in 2019 primarily due to increased energy purchased to fulfill energy requirements for member and non-member participants. Operations expense increased $22.4 million primarily due to increased fuel usage for the LEC and water costs for Hydro (see Operating Revenues). Maintenance expenses were $5.3 million higher than in FY 2019 due to increased plant maintenance project costs necessitated from increased generation. Additionally, the increase in transmission costs of $43.4 million was due to increased generation from plants and from new non-member participants.

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY
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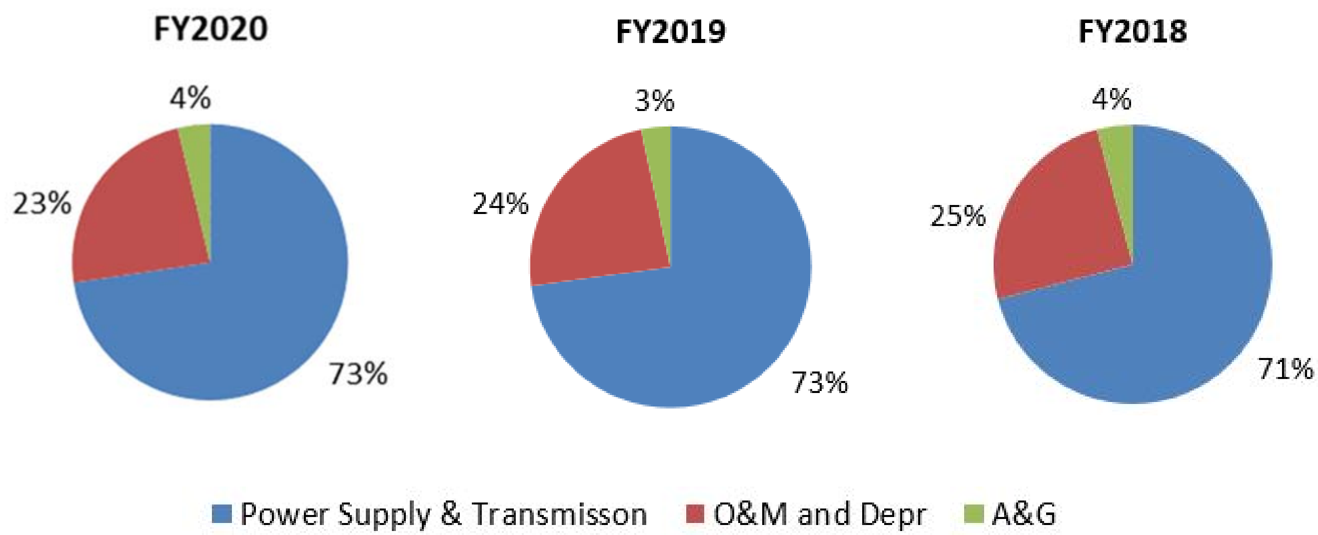
The following charts compare the components of Operating Expenses in fiscal years ended June 30, 2020, 2019, and 2018:



FINANCING ACTIVITIES

During 2020, 2019 and 2018 the Agency continued to implement strategies to further improve its competitive position and financial flexibility. These actions included: (1) monitoring current financial market conditions for financing or refinancing opportunities; and (2) providing rating agencies annual updates on all projects.

In December 2019, the Agency issued Capital Facilities Revenue Bonds, 2019 Refunding Series A ($20,450,000) to refund Capital Facilities Revenue Bond, 2010 Refunding Series A. The refunding was completed through the issuance of $20,450,000 fixed rate debt (2019 Series A) with a yield of 1.00% with varying principal maturities ranging from $2,575,000 to $4,815,000 through August 1, 2024. The refunding is estimated to have decreased project debt service by an estimated $2.7 million over the next 5 years, which results in an estimated economic gain to the Agency of approximately $2.4 million.

In April 2019, the Agency issued Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A ($39,250,000) to refund Hydroelectric Project Number One Revenue Bond, 2010 Refunding Series A. The refunding was completed through the issuance of $39,250,000 fixed rate debt (2019 Series A) with a yield of 1.40% with varying principal maturities ranging from $940,000 to $13,650,000 through July 1, 2023. The refunding is estimated to have decreased project debt service by an estimated $8.09 million over the next 5 years, which results in an estimated economic gain to the Agency of approximately $3.62 million.

Each year the Agency has either informal discussions or sometimes formal presentations with each of the credit rating agencies in order to maintain ongoing communications. During 2019 and 2020, Standard and Poor's, Moody's, and Fitch affirmed their ratings on all projects. On February 20, 2020, Fitch affirmed NCPA's Hydroelectric Project Bonds AA- rating with an outlook of stable. On June 12, 2020, Fitch affirmed NCPA's Lodi Energy Center Revenue Bonds A rating with an outlook of stable.

Ratings assigned to the Agency's outstanding project bonds as of June 30, 2020 are as follows:

Debt Credit Ratings:	Standard & Poor's	Fitch	Moody's
Geothermal	A- , stable	A+, stable	A1, stable
Hydroelectric	A+, stable	AA-, stable	Aa3, stable
Capital Facilities	A- , stable	Not rated	A1, stable
Lodi Energy Center (Issue One)	A- , stable	A, stable	A1, stable
Lodi Energy Center (Issue Two)	AAA, stable	Not rated	Aa2, stable

INVESTMENT IN ASSOCIATED COMPANY

Effective June 2018, the Agency invested a 20% interest in the not-for-profit corporation Hometown Connections, Inc. (HCI) for $265,000. HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. HCI has contracted with the Agency to provide monthly accounting services. This investment is accounted for using the equity method of accounting.

SUMMARY

The management of the Agency is responsible for preparing the information in this management's discussion and analysis, combined financial statements and notes to the combined financial statements. Financial statements were prepared according to accounting principles generally accepted in the United States of America, and they fairly portray the Agency's financial position and operating results. The notes to the financial statements are an integral part of the basic financial statements and provide additional financial information.

CONTACTING AGENCY MANAGEMENT

This financial report is designed to provide our members, investors, and creditors with a general overview of Northern California Power Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Northern California Power Agency, 651 Commerce Drive, Roseville, CA 95678.

Agency Financials

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	June 30,	
	2020	2019
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Restricted	$ 27,103	$ 22,004
Unrestricted	85,585	79,058
Investments		
Restricted	26,035	21,090
Unrestricted	23,512	6,601
Accounts receivable		
Participants	311	236
Other	13,212	2,629
Interest receivable	1,037	1,360
Inventory and supplies	5,924	8,891
Prepaid expenses	1,954	1,679
TOTAL CURRENT ASSETS	184,673	143,548
NON-CURRENT ASSETS		
Investments		
Restricted	9,680	16,668
Unrestricted	138,802	152,459
Electric plant in service	1,493,690	1,506,366
Less: accumulated depreciation	(1,018,869)	(1,004,069)
Construction work-in-progress	-	182
TOTAL NON-CURRENT ASSETS	623,303	671,606
OTHER ASSETS		
Regulatory assets	225,889	223,703
Preliminary survey and investigation costs	-	435
Investment in associated company	265	265
TOTAL OTHER ASSETS	226,154	224,403
TOTAL ASSETS	1,034,130	1,039,557
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	22,326	33,271
Pension and OPEB deferrals	16,936	17,055
Asset retirement obligations	61,994	62,101
TOTAL DEFERRED OUTFLOWS OF RESOURCES	101,256	112,427
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,135,386	$ 1,151,984

See notes to combined financial statements

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
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	June 30,	
	2020	2019
LIABILITIES	(in thousands)	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 50,153	$ 38,887
Member advances	993	1,380
Operating reserves	19,381	21,995
Current portion of long-term debt	40,410	33,340
Accrued interest payable	7,923	7,742
TOTAL CURRENT LIABILITIES	118,860	103,344
NON-CURRENT LIABILITIES		
Net pension and OPEB liabilities	63,003	66,126
Operating reserves and other deposits	133,747	126,551
Interest rate swap liability	18,968	14,613
Asset retirement obligations	66,629	65,155
Long-term debt, net	600,636	647,273
TOTAL NON-CURRENT LIABILITIES	882,983	919,718
TOTAL LIABILITIES	1,001,843	1,023,062
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	88,415	84,744
Pension and OPEB deferrals	4,737	5,802
TOTAL DEFERRED INFLOWS OF RESOURCES	93,152	90,546
NET POSITION		
Net investment in capital assets	(25,158)	(21,468)
Restricted for debt service	30,407	22,983
Unrestricted	35,142	36,861
TOTAL NET POSITION	40,391	38,376
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,135,386	$ 1,151,984

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30, 2020	2019
	(in thousands)	
OPERATING REVENUES		
Participants	$ 408,120	$ 369,885
Other Third-Party	196,774	329,281
TOTAL OPERATING REVENUES	604,894	699,166
OPERATING EXPENSES		
Purchased power	224,052	298,508
Operations	71,747	99,990
Transmission	184,747	180,633
Depreciation	30,958	30,844
Maintenance	32,203	26,836
Administrative and general	21,747	19,304
TOTAL OPERATING EXPENSES	565,454	656,115
NET OPERATING REVENUES	39,440	43,051
NON OPERATING (EXPENSES) REVENUES		
Interest expense	(39,385)	(39,291)
Interest income	8,668	10,447
Other	3,388	8,070
TOTAL NON OPERATING EXPENSES	(27,329)	(20,774)
FUTURE RECOVERABLE AMOUNTS	2,201	(7,791)
REFUNDS TO PARTICIPANTS	(12,297)	(14,178)
INCREASE IN NET POSITION	2,015	308
NET POSITION, Beginning of year	38,376	38,068
NET POSITION, End of year	$ 40,391	$ 38,376

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30, 2020	Years Ended June 30, 2019
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from participants	$ 411,329	$ 368,107
Received from others	198,415	332,238
Payments for employee services	(42,686)	(41,848)
Payments to suppliers for goods and services	(478,945)	(568,618)
NET CASH FLOWS FROM OPERATING ACTIVITIES	88,113	89,879
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities and sales of investments	156,405	111,768
Interest received on cash and investments	5,646	4,928
Purchase of investments	(156,735)	(116,238)
NET CASH FLOWS FROM INVESTING ACTIVITIES	5,316	458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of electric plant	(46,241)	(2,348)
Insurance receipts on asset disposals	36,400	-
Interest paid on long-term debt	(27,436)	(31,234)
Principal repayment on long-term debt	(33,340)	(42,335)
Proceeds from bond issues	22,738	43,158
Payments to refund debt	(25,450)	(53,987)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(73,329)	(86,746)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Other proceeds	3,823	7,653
Refunds to participants	(12,297)	(14,178)
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(8,474)	(6,525)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,626	(2,934)
CASH AND CASH EQUIVALENTS		
Beginning of year	101,062	103,996
End of year	$ 112,688	$ 101,062

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW-Continued

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30, 2020	Years Ended June 30, 2019
	(in thousands)	
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 39,440	$ 43,051
Adjustments to reconcile net operating revenues to net cash from operating activities:		
Depreciation	30,958	30,844
	70,398	73,895
CASH FLOWS IMPACTED BY CHANGES IN		
Accounts receivable	(4,109)	(118)
Inventory, prepaid expense, and unused vendor credits	2,692	748
Operating reserves and other deposits	4,582	979
Member advances	(387)	312
Regulatory credits	3,671	(2,804)
Accounts payable and other liabilities	11,266	16,867
NET CASH FROM OPERATING ACTIVITIES	$ 88,113	$ 89,879
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION		
Cash and cash equivalents - current assets	$ 27,103	$ 22,004
Cash and cash equivalents - restricted assets	85,585	79,058
End of year	$ 112,688	$ 101,062
NON-CASH TRANSACTIONS:		
Future recoverable/(refundable) costs	$ 2,201	$ (7,791)
Amortization	(7,767)	(6,218)
Interest rate swap change in fair value	4,355	3,504
Gain/loss on investments	45	(663)

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE A -- ORGANIZATION

The Agency Northern California Power Agency (Agency) was formed in 1968 as a joint powers agency of the State of California. The membership consists of twelve cities with publicly-owned electric utility distribution systems, one port authority, a transit authority, one public utility district, and one associate member. The Agency is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of the Agency on an elective basis.

Various legal and tax considerations caused the Agency to provide that separate Special District Entities should be delegated by the Agency to own the geothermal electrical generating projects undertaken by the Agency ("the Associated Power Corporations"). The Associated Power Corporations, Northern California Municipal Power Corporations Nos. Two and Three, have delegated to the Agency the authority to construct, operate and manage their respective geothermal plants and related assets. The Agency, in return for financing the costs of acquisition and construction, acquires all the capacity and energy generated by the plants. See Note E – Projects and Related Financing.

The Agency is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property, and business of the Agency. Under the direction of the General Manager, the staff of the Agency is responsible for providing various administrative, operating, and planning services for the Agency.

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Principles of Combination For accounting purposes, the Agency is a special-purpose governmental entity that is engaged in a business-type activity, principally as a supplier of wholesale electricity and transmission to its member participants. As such, the Agency's financial statements are presented as an enterprise type fund.

The records of the Agency and its Associated Power Corporations are maintained substantially in accordance with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts. Accounting principles generally accepted in the United States of America are applied by the Agency in conformance with pronouncements of the Governmental Accounting Standards Board (GASB). When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed. The combined financial statements encompass the Agency and Associated Power Corporations on an accrual accounting basis. All significant intercompany balances and transactions have been eliminated from the combined amounts reported.

Cash and Cash Equivalents Cash and cash equivalents include all debt instruments purchased with an original maturity of 90 days or less, all investments in the Local Agency Investment Fund (LAIF) and in the California Asset Management Program (CAMP), and cash maintained in interest-bearing depository accounts, which are fully insured or collateralized in accordance with state law. Cash balances may be invested in either overnight repurchase agreements, which are fully collateralized by U.S. Government Securities, or in money market funds invested in short-term U.S. Treasury Securities. The Agency commingles operating cash for investment purposes only. Separate detailed accounting records are maintained for each account's related investments. All cash of the Agency is held by either the Agency's custodian or its primary bank and revenue bond trustee.

Custodial credit risk for cash deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 110% to 150% of the Agency's cash on deposit. All of the Agency's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

Investments The Agency's investments are reported at fair value. Realized and unrealized gains and losses are included in interest income in the Statement of Revenue, Expenses and Changes in Net Position.

Accounts Receivable Accounts Receivable consists primarily of amounts due from participants and other governmental entities related to sales of energy and transmission. June 30, 2020 balance includes estimated insurance receivables of $6.5 million for turbine replacement at Lodi Energy Center. Amounts are deemed to be collectible and as such, no allowance for uncollectible accounts has been recorded.

Inventory and Supplies Inventory and supplies consist primarily of spare parts for the maintenance of plant assets and are stated at average cost.

Restricted Assets Cash and cash equivalents, investments and related accrued interest, which are restricted under terms of certain agreements, trust indentures or laws and regulations limiting the use of such funds, are included in restricted assets. When NCPA has restricted assets for specific purposes, and restricted and unrestricted resources are available for use, it is NCPA's policy to use restricted resources first, then unrestricted resources as they are needed.

Electric Plant Electric plant in service is recorded at historical cost. The cost of additions, renewals and betterments are capitalized; repairs and minor replacements are charged to operating expenses as incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The provision for depreciation was approximately 2.0% of the average electric plant in service for the Agency during both 2020 and 2019. Depreciation is calculated using the following estimated lives:

Generation and Transmission	25 to 42 years
General Plant	5 to 25 years
Furniture and Fixtures	10 years
Transportation Equipment	5 years
Computer and Electronic Equipment	5 years

A summary of changes in electric plant for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
	(in thousands)			
Structures and Leasehold Improvements	$ 320,743	$ 36	$ -	$ 320,779
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	760,624	49,307	(62,214)	747,717
Furniture and Fixtures	3,716	195	-	3,911
	1,334,421	49,538	(62,214)	1,321,745
Accumulated Depreciation	(1,004,069)	(30,958)	16,158	(1,018,869)
	330,352	18,580	(46,056)	302,876
Construction Work-In-Progress	182	-	(182)	-
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 502,479	$ 18,580	$ (46,238)	$ 474,821

A summary of changes in electric plant for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
	(in thousands)			
Structures and Leasehold Improvements	$ 320,734	$ 9	$ -	$ 320,743
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	759,264	1,601	(241)	760,624
Furniture and Fixtures	3,340	376	-	3,716
	1,332,676	1,986	(241)	1,334,421
Accumulated Depreciation	(973,466)	(30,844)	241	(1,004,069)
	359,210	(28,858)	-	330,352
Construction Work-In-Progress	182	-	-	182
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 531,337	$ (28,858)	$ -	$ 502,479

In January 2020, the turbine at LEC failed resulting in an unplanned outage of the unit. The turbine was repairable but due to economic reasons, the Agency made the decision to purchase a new turbine that was comparable in cost to the failed turbine repair costs. The Agency realized a loss of $44.4 million upon disposal of the failed turbine. The Agency purchased and constructed a new turbine for $44.2 million and placed the unit back into service in June 2020. The Agency filed a claim with the insurers and recovered $42.9 million of the turbine replacement costs.

Construction Work-In-Progress Construction work-in-progress (CWIP) includes the capitalized cost of land, material, equipment, labor, interest (net of interest income), certain other financing costs incurred to facilitate the projects and an allocated portion of general and administrative expenses related to the development of electric plant. In addition, CWIP ultimately includes costs incurred prior to commencement of commercial operations during the test and start-up phase of projects.

Regulatory Assets/Credits In accordance with GASB Statement No. 62, the Agency has deferred certain items of expense and revenue that otherwise would have been charged to operations because it is probable that such items will be recovered in future years' operations. For items related to Net Pension and Other Post Employment Benefits (OPEB) Liabilities, the Agency expects to recover these items through participant collections using the actuarially calculated amounts due as represented in the respective annual and biennial actuarial valuation reports. For other regulatory items, the Agency expects to recover these items through participant collections over the term of the related debt obligations it has issued. On an ongoing basis, the Agency reviews its operations to determine the continued applicability of these deferrals under GASB Statement No. 62.

The items of expense that have been deferred are net pension and OPEB liabilities, asset retirement obligations and those originally paid from bond proceeds, including depreciation, certain bond amortizations, and interest paid from bond proceeds. These amounts are recorded to future recoverable amounts. Revenues used to acquire electric plant through debt issuance have also been deferred to future years. As of June 30, 2020 and 2019, the Agency had accumulated regulatory assets, net of regulatory credits, of approximately $137,474,000 and $138,959,000, respectively.

Investment in Associated Company Effective June 2018, the Agency invested $265,000 (20% interest) into Hometown Connections Inc. (a not-for-profit corporation) (HCI). HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. This investment is accounted for using the equity method of accounting.

Debt Related Costs Debt issuance costs are expensed as incurred. Excess costs on refunding of bonds are considered deferred outflows of resources as prescribed by GASB Statement No. 65 and amortized over the life of the refunding bonds, or the life of the refunded bonds, whichever is shorter. Amortization is computed using the effective interest method and included in interest expense.

Compensated Absences Accumulated unpaid compensated absences are accrued as the obligation is incurred. Compensated absences are included in accounts payable and accrued expenses.

Pensions For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Agency's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB) For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Agency's California Employers' Retirement Benefit Trust (CERBT) Fund and additions to/deductions from Fund's fiduciary net position have been determined on the same basis as they are reported by CalPERS, the trust administrator. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Asset Retirement Obligations (ARO) For purposes of measuring the ARO liability, and deferred outflows of resources related to ARO, information about the estimated costs have been determined by utilizing third party projections. Cost estimates are adjusted for inflation or deflation on an annual basis. Factors relating to estimated asset retirement outlays are evaluated annually to determine if one or more factors are expected to result in a significant change and if an ARO should be remeasured as a result. Deferred outflows of resources are reduced and recognized as an expense over the estimated life of the capital assets.

Long-Term Debt Long-term debt is stated net of unamortized discounts and premiums. Discounts and premiums are amortized over the term of the related obligation using the effective interest method. Amortization of debt discounts and premiums is included in total interest expense for the period. See Note E - Projects and Related Financing.

Operating Reserves The Agency has established various funded operating reserves, in accordance with various bond indentures, project agreements, and prudent utility practice, for anticipated periodic operating costs and related liabilities including, but not limited to, scheduled maintenance other than ordinary repairs and replacements. Certain amounts funded each year are charged to operating expense because the collections established by the Agency for power sales to its members include these costs on a prospective basis. Changes to operating reserve levels are periodically evaluated during the annual budgeting process. A non-project specific, individual participant controlled, general operating reserve is also maintained for participating Agency members.

Changes in long-term operating reserves for the year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
	(in thousands)			
General Operating Reserve	$ 75,233	$ 10,616	$ 3,361	$ 82,488
CRR Collateral & SC Balancing Account	29,584	1,646	597	30,633
Capital Development Reserve	14,971	4,899	2,659	17,211
Power Management Service	2,948	15	1,266	1,697
Transmission Upgrade & GHG Allowances	2,315	2,072	4,169	218
Special Fund Reserve	1,500	-	-	1,500
	$ 126,551	$ 19,248	$ 12,052	$ 133,747

Changes in long-term operating reserves for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019
	(in thousands)			
General Operating Reserve	$ 70,816	$ 9,536	$ 5,119	$ 75,233
CRR Collateral & SC Balancing Account	27,180	3,387	983	29,584
Capital Development Reserve	17,089	2,592	4,710	14,971
Power Management Service	7,312	395	4,759	2,948
Transmission Upgrade & GHG Allowances	2,342	3,648	3,675	2,315
Special Fund Reserve	1,500	-	-	1,500
	$ 126,239	$ 19,558	$ 19,246	$ 126,551

Rates Power sales to participants for their resale include both power generated by operating plants and power purchased from outside sources. Collection rates for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or rate stabilization may be included in collection rates under the terms of bond indentures. During fiscal years 2020 and 2019, no amounts were specifically collected for rate stabilization.

The Agency's collection rates for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or FERC. Rather, the Agency's rates are established annually in connection with its budget, which is approved by its governing Commission.

Power, Transmission and Fuel Forward Transactions In the normal course of its business, the Agency is required to manage loads, resources, and energy price risk on behalf of its members. Consequently, the Agency buys and sells power, transmission, and fuel in wholesale markets as required. The Agency does not enter into such agreements solely for trading purposes. All such transactions are normal purchases and sales subject to settlement at the agreed to contract prices for quantities delivered. While authorized to transact forward purchase contracts for terms of up to five years, forward contract purchases at fiscal year ended June 30, 2020 were for periods not greater than four years duration beyond the current fiscal year. In the event of default, undelivered transactions are required to be marked-to-market subject to the following limitations. If the Agency, as buyer, is the defaulting entity, the Agency's termination settlement amount is capped at the agreed to contract cost for all future undelivered commodities. If the selling counterparty is the defaulting entity, the seller's termination settlement is not capped for all future undelivered commodities. The defaulting entity is also subject to resultant transmission charges, brokerage fees, attorney fees, and all other reasonable expenses. See Note I - Commitments and Contingencies, Power Purchase Contracts.

Fair Values of Financial Instruments The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents - The carrying amount reported in the statements of net position for cash and cash equivalents approximates its fair value.

Investments - The fair values for investments are based on quoted market prices and significant other observable inputs. See Note D – Fair Value Measurement.

Swaps - The fair values take into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that were received. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. While the current net mark-to-market values are negative, this valuation would be realized only if the swaps were terminated at the valuation date.

Net Position The Agency classifies its net position into three components; invested in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component consists of capital assets, net of accumulated depreciation reduced by outstanding debt balances, net of unspent bond proceeds.

Restricted - This component consists of net position with constraints placed on their use. Constraints include those imposed by debt indentures and other agreements; grants, or laws and regulations of other governments.

Unrestricted - This component consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

The Agency and the Associated Power Corporations are intended to operate on a not-for-profit basis. Therefore, any balance of net position represents differences between total revenues collected, using collection rates based on estimated operating expenses and debt service, and the total actual expenses incurred. In subsequent periods of operation, excess collections (net of encumbrances) that the participating members do not direct be held by or released to the Agency, are refunded to the participating members. Estimated encumbrances at June 30, 2020 and 2019 were $2,812,000 and $1,857,000, respectively. In the event the Agency incurs a negative net position balance, the balance would be subject to recovery in collection rates under the terms of the related take-or-pay member agreements. See Note E – Projects And Related Financing.

Deferred Outflows and Inflows of Resources The statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred Outflows of Resources consist of excess cost on refunding of debt, pension and OPEB deferrals and asset retirement obligations. Pension contributions made in the current year are reported as deferred outflows of resources as the CalPERS' valuation measurement date is June 30, 2019; those contributions were expensed in fiscal year 2020.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period(s) and will be recognized as revenue at that time. The Agency's deferred inflows of resources are comprised of regulatory credits intended to offset the effects of the collection rate process, pension and OPEB deferrals projected in the pension and OPEB actuarial reports and funds advanced for asset retirement obligations.

Recent Accounting Pronouncements In May, 2020, GASB Statement of Government Accounting Standards No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. It postponed Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for financial statements for years beginning after June 15, 2018. This statement requires governments to recognize a liability for legal obligations to perform future asset retirement activities related to tangible capital assets.

Accounting Pronouncements Effective in Future Fiscal Years

- **GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement originally is effective for the periods beginning after December 15, 2018, or fiscal year 2020. GASB 95 postponed implementation to periods beginning after December 15, 2019 or fiscal year 2021. The Agency has not determined the effect of the statement.

- **GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of the Statement is to recognize in the Financial Statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement originally is effective for the periods beginning after December 15, 2019, or the fiscal year 2021. GASB 95 postponed implementation to periods beginning after June 15, 2021 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 89** – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of the Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement originally is effective for the periods beginning after December 15, 2019, or fiscal year 2021. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 90** – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest*. The objective of the Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement originally is effective for the periods beginning after December 15, 2018, or fiscal year 2020. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of the Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement originally is effective for the periods beginning after December 15, 2020, or fiscal year 2022. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 92** – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objective of the Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The Statement originally is effective for the periods beginning after June 15, 2020, or fiscal year 2021. GASB 95 postponed implementation to periods beginning after June 15, 2021 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 93** – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form on December 31, 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. The Statement originally is effective for the periods beginning after June 15, 2020, or fiscal year 2021. GASB 95 postponed implementation to periods beginning after June 15, 2021 or fiscal year 2022. The Agency has not determined the effect of the statement.

- **GASB Statement No. 94** – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or non-governmental entity) to provide public services by conveying control of the right to operate or use a non-financial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. The Statement is effective for the periods beginning after June 15, 2022, or fiscal year 2023. The Agency has not determined the effect of the statement.

- **GASB Statement No. 96** – In June 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement:

    1. Defines a SBITA,
    2. Establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability,
    3. Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and
    4. Requires note disclosure regarding a SBITA.

  The Statement is effect for the periods beginning after June 15, 2022, or fiscal year 2023. The Agency has not determined the effect of the statement.

- **GASB Statement No. 97** – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Suppression of GASB Statement No. 32*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units, (2) mitigate costs associated with the reporting of certain fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The Statement is effective for the periods beginning after June 15, 2021, or fiscal year 2022. The Agency has not determined the effect of the statement.

Use of Estimates in the Preparation of Financial Statements The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on net position.

NOTE C -- INVESTMENTS

The Agency is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, in certificates of deposit, commercial paper, banker's acceptances, repurchase agreements, passbook savings account demand deposits, municipal bonds, the State Treasurer's LAIF pool, mid-term corporate notes, and in other instruments authorized by applicable sections of the Government Code of the State of California. The Agency's investments are stated at fair value.

The Agency's investment policy requires investments that assure safety of the principal, liquidity to meet specific obligations of the Agency when due, and investment quality all in compliance with California State law and the Agency's revenue bond indentures. Generally, operating and reserve funds' investment maturities are limited to one and five years, except for Geothermal Decommissioning Reserve and debt service reserve funds, which are allowed maturities up to ten years and fifteen years, respectively.

All securities owned by, or held on behalf of, the Agency are held by either the Agency's custodian, Union Bank of California, N.A., or its revenue bond trustee, U.S. Bank Trust, N.A.

The Agency's investment policy includes restrictions for investments relating to maximum amounts invested as a percentage of the portfolio and with a single issuer, maximum maturities, and minimum credit ratings.

Credit Risk To mitigate the risk that an issuer will not fulfill its obligation to the investment, the Agency limits investments in non-federally secured instruments to those rated, at a minimum, "A" rating category or equivalent for long/medium term notes by a nationally recognized statistical rating organization. Investments in municipal bonds, corporate bonds, and certificates of deposit are limited to the top three ratings issued by nationally recognized statistical rating organizations and all investments must be investment grade. Credit rating ranges and minimum rating requirements for the Agency's investments as of June 30, 2020 are listed below:

		Credit Rating	
Description	Min Rating	Moody's	S&P
U.S. Agencies	N/A	Aaa	AA+
U.S. Treasury	N/A	Aaa	N/A
Municipal Bonds	A-	A1/Aa1	AA-/AAA
Corporate Bonds	A-	A3/Aaa	A-/AAA
Certificates of Deposit	A-	A2/Aa3	A-/A+
Local Agency Investment Fund	N/A	NR	NR

Custodial Credit Risk This is the risk that in the event of a failure of a depository financial institution, the Agency's deposits may not be returned or the Agency will not be able to recover its deposits, investments, or collateral securities that are in the possession of another party. The Agency's policy mitigates this risk by requiring transactions with approved institutions and firms that have one or more of the following attributes: recognized as a primary government dealer as designated by the Federal Reserve Bank; regional broker/dealer headquartered in the State of California; national or state chartered bank that must be a member of the FDIC; direct issuer of securities eligible for purchase by the Agency; brokers and dealers qualify under SEC Rule 15C3-1 (Uniform Net Capital Rule), must be registered with the Financial Industry Regulatory Authority (FINRA) and must be licensed to do business in the State of California. Capitalization, credit worthiness, experience, reference checks and services offered criteria are evaluated when selecting a custodian.

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of NCPA's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Concentration of Credit Risk This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The investment policy of the Agency contains no limitations on the amount that may be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total Agency investments include the following at June 30, 2020 and June 30, 2019.

Concentration of Credit Risk, June 30, 2020

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
		(in thousands)	
Federal Home Loan Mortgage Corp.	Federal Agency	$ 15,083	5.1%
Federal Farm Credit Bank	Federal Agency	18,886	6.4%
Federal Home Loan Bank	Federal Agency	55,021	18.6%

Concentration of Credit Risk, June 30, 2019

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
		(in thousands)	
Federal National Mortgage Association	Federal Agency	$ 16,189	8.2%
Federal Home Loan Mortgage Corp.	Federal Agency	35,728	18.2%
Federal Farm Credit Bank	Federal Agency	31,208	15.9%
Federal Home Loan Bank	Federal Agency	48,929	24.9%

Interest Rate Risk Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. The Agency manages its exposure to interest rate risk by following a hold-to-maturity investment approach for some investments, purchasing a combination of shorter and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. In addition, the Agency periodically rebalances larger fund portfolios to maintain the appropriate rate of return through market cycles; such rebalances are performed only in instances when the result of the rebalance transaction is a net gain.

The following tables reflect the carrying and fair values and the weighted average maturity in years for the Agency's investment portfolios for fiscal years ended June 30, 2020 and 2019, respectively.

Investments at June 30, 2020

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 97,420	$ 98,085	2.29
U.S. Treasury	5,175	5,207	0.50
Municipal Bonds	15,161	15,293	2.88
Corporate Bonds	74,662	77,843	2.67
Certificates of Deposit	1,500	1,601	2.37
TOTAL INVESTMENTS	$ 193,918	$ 198,029	

Investments at June 30, 2019

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 132,128	$ 132,054	2.34
U.S. Treasury	2,323	2,325	0.17
Corporate Bonds	60,984	62,439	3.29
TOTAL INVESTMENTS	$ 195,435	$ 196,818	

NOTE D -- FAIR VALUE MEASUREMENT

In accordance with GASB 72, Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different Levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

Fair Value of Investments under GASB 72 – Debt and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Level 2 Securities are valued using a multi-dimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker/dealer quotes.

Fair Value of Swaps under GASB 72 – Fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of a given transaction. The valuations of derivatives transactions provided are indicative values based on mid-market levels as of June 30, 2020. These valuations do not represent the actual terms at which new transactions could be entered into or the actual terms at which existing transactions could be liquidated. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions for interest rate swaps. The Agency's swap advisor categorized the swap's fair value as Level 2 based on its inputs used to perform the measurement.

The Agency's fair value measurements are performed on a recurring basis. Because investing is not a core part of the Agency's mission, the Agency determines that the disclosures related to these investments only need to be disaggregated by major type. The fair value of swaps reflect the nonperformance risk of their client counterparty relating to that liability, and the nonperformance risk of the bank counterparty relating to that asset.

The Agency has the following fair value measurements as of June 30, 2020:

		Fair Value Using		
	June 30, 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Agencies	$ 98,085	$ 34,678	$ 63,407	$ -
U.S. Treasury	5,207	5,207	-	-
Municipal Bonds	15,293	-	15,293	-
Corporate Bonds	77,843	-	77,843	-
Certificates of Deposit	1,601	-	1,601	-
Total debt securities	198,029	39,885	158,144	-
Total investments by fair value level	$ 198,029	$ 39,885	$ 158,144	$ -
Derivative Instruments by fair value level				
Swap liability instruments	$ (18,968)	$ -	$ (18,968)	$ -
Total Derivative Instruments by fair value level	$ (18,968)	$ -	$ (18,968)	$ -

The Agency has the following fair value measurements as of June 30, 2019:

		Fair Value Using		
	June 30, 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(in thousands)		
Investments by fair value level				
Debt Securities				
U.S. Agencies	$ 132,054	$ 35,434	$ 96,620	$ -
U.S. Treasury	2,325	2,325	-	-
Corporate Bonds	62,439	-	62,439	-
Total debt securities	196,818	37,759	159,059	-
Total investments by fair value level	$ 196,818	$ 37,759	$ 159,059	$ -
Derivative Instruments by fair value level				
Swap liability instruments	$ (14,613)	$ -	$ (14,613)	$ -
Total Derivative Instruments by fair value level	$ (14,613)	$ -	$ (14,613)	$ -

NOTE E -- PROJECTS AND RELATED FINANCING

Financing Programs The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each project participant is responsible to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements). The project sales agreements also require project participants to step up their respective obligations in the event of a default by another project participant.

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Geothermal Project			(in thousands)		
2009 Series A - Original Issue Amount $35,610 Serial, 4.00-5.50% through 2025	$ 2,675	$ -	$ 2,675	$ -	$ -
2012 Series A - Original Issue Amount $12,910 Term, 2.289% due 2023	4,945	-	1,375	3,570	1,405
2016 Series A - Original Issue Amount $17,530 Term, 1.670% due 2024	16,900	-	370	16,530	3,190
Total Geothermal Project	24,520	-	4,420	20,100	4,595
Hydroelectric Project					
2008 Refunding Series A - Original Issue Amount $85,160 Term, adjustable rate-weekly reset, due 2033	85,160	-	1,520	83,640	2,165
2012 Refunding Series A - Original Issue Amount $76,665 Serial, 5.00% through 2033	76,665	-	-	76,665	-
2012 Refunding Series B - Original Issue Amount $7,120 Serial, 4.32% through 2025	7,120	-	-	7,120	-
2018 Refunding Series A – Original Issue Amount $68,875 Serial, 5.00% through 2025	68,875	-	8,885	59,990	10,730
2018 Refunding Series B - Original Issue Amount $1,340 Serial, 4.32% through 2025	1,340	-	1,340	-	-
2019 Refunding Series A - Original Issue Amount $39,250 Serial, 4.00-5.00% through 2025	39,250	-	940	38,310	7,830
Add: Unamortized Premium, net	16,528	-	2,815	13,713	-
Total Hydroelectric Project	$ 294,938	$ -	$ 15,500	$ 279,438	$20,725

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
			(in thousands)		
Capital Facilities Project					
2010 Refunding Series A - Original Issue Amount $55,120					
Serial, 2.00-5.25% through 2026	$ 29,645	$ -	$ 29,645	$ -	$ -
2019 Refunding Series A - Original Issue Amount $39,250					
Serial, 4.00-5.00% through 2025	-	20,450	-	20,450	2,575
Add: Unamortized Premium	420	2,288	700	2,008	-
Total Capital Facilities Project	30,065	22,738	30,345	22,458	2,575
Lodi Energy Center, Issue One					
2010 Series A - Original Issue Amount $78,330					
Serial, 3.00-5.00% through 2020	6,210	-	6,210	-	-
2010 Series B (Federally Taxable - Direct Payment Build America Bonds) - Original Issue Amount $176,625					
Term, 7.311% due 2040	176,625	-	-	176,625	-
Lodi Energy Center, Issue Two					
2010 Series B (Federally Taxable - Direct Payment Build America Bonds) - Original Issue Amount $110,225					
Term, 4.63% due 2020	5,210	-	5,210	-	-
Term, 5.679% due 2035	105,015	-	-	105,015	5,365
Lodi Energy Center, Issue One					
2017 Series A – Original Issue Amount $38,970					
Serial, 2.70% through 2025	38,030	-	620	37,410	7,150
Total Lodi Energy Center Project	331,090	-	12,040	319,050	12,515
Total Long-Term Debt, Net	$ 680,613	$ 22,738	$ 62,305	$ 641,046	$ 40,410

Debt service requirements for each of the next five years and in five-year cumulative increments thereafter as of June 30, 2020:

	Revenue Bonds		Notes from Direct Placements		
	Principal	Interest	Principal	Interest	Total
			(in thousands)		
2021	$ 28,665	$ 34,187	$ 11,745	$ 1,199	$ 75,796
2022	31,395	32,273	12,005	951	76,624
2023	32,990	30,320	11,505	698	75,513
2024	38,705	28,157	11,005	464	78,331
2025	40,400	26,159	11,250	235	78,044
2026-2030	161,425	101,825	-	-	263,250
2031-2035	161,295	52,877	-	-	214,172
2036-2040	72,940	16,493	-	-	89,433
Add: Unamortized Bond Premium	15,721	-	-	-	15,721
	$ 583,536	$ 322,291	$ 57,510	$ 3,547	$ 966,884

Interest includes interest requirements for fixed rate debt at their stated rate and variable rate debt covered by interest rate swaps at their fixed swap rate.

Changes in long-term debt obligations for the year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Due Within One Year
			(in thousands)		
Revenue bonds	$ 603,790	$ 20,450	$ 56,425	$ 567,815	$ 28,665
Notes from direct placements	59,875	-	2,365	57,510	11,745
Add: Unamortized Premium, net	16,948	2,288	3,515	15,721	-
Total	$ 680,613	$ 22,738	$ 62,305	$ 641,046	$ 40,410

The Agency's outstanding notes from direct placements of $57,510,000 contain provisions that in an event of default, outstanding amounts become immediately due if (1) the Agency is unable to pay the principal or interest when due, (2) files bankruptcy or becomes insolvent, or (3) S&P issues a downgrade below "BBB-."

The Agency's outstanding revenue bonds of $567,815,000 contain provisions that in the event of a participant default, the project entitlement percentage of each non-defaulting project participant will increase on a prorated basis up to a maximum of 25% for Hydroelectric, Geothermal and Capital Facilities projects and 35% for Lodi Energy Center project.

Redemption Provisions As set forth in the bond indentures, the term bonds are subject to redemption prior to maturity in varying amounts at specific dates. At the option of the Agency, the bonds are also subject to early redemption at specific redemption prices and dates.

Defeased Debt Various bond refundings were undertaken to defease debt and realize future debt service savings. Debt was defeased by using the proceeds of the refunding issues and other available monies to irrevocably place in trust cash and U.S. Government Securities, which together with interest earned thereon, will be sufficient to pay both the interest and the appropriate maturity or redemption value of the refunded bonds as required. Detailed information about the refunding transactions follow.

On December 20, 2019, the Agency issued Capital Facilities Revenue Bonds, 2019 Refunding Series A, in the amount of $20,450,000 with an average interest rate of 5.0000% to refund $25,450,000 of outstanding Capital Facilities Revenue Bonds, 2010 Refunding Series A with an average interest rate of 5.2149%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position. The outstanding 2010 Series A Bonds were called for redemption on February 1, 2020.

The cash flow requirements on the old bonds prior to the refunding was $26,107,510 from August 1, 2019 through August 1, 2025. The cash flow requirements on the new bonds are $23,373,451 from August 1, 2019 through August 1, 2024. The refunding resulted in an economic gain of $2,431,189.

On April 2, 2019, the Agency issued Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A, in the amount of $39,250,000 with an average interest rate of 4.9126% to refund $52,845,000 of outstanding Hydroelectric Project Number One Revenue Bonds, 2010 Refunding Series A with an average interest rate of 4.9003%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the refunding was $52,959,312 from July 1, 2018 through July 1, 2023. The cash flow requirements on the new bonds are $44,871,942 from July 1, 2018 through July 1, 2023. The refunding resulted in an economic gain of $3,616,515.

Accordingly, some of these defeased debt issues have been considered extinguished for financial reporting purposes. At year-end, the following defeased debt remained outstanding:

		2020	2019
		(in thousands)	
Hydroelectric:	Project No. One, 1985 Series A	$ 12,150	$ 12,150
	Project No. One, 1986 Series A	31,360	31,360
	Project No. One, 2010 Series A	44,135	52,845
		87,645	96,355
LEC:	Issue One, 2010 Series A	36,020	36,020
	Total Defeased Debt Outstanding	$ 123,665	$ 132,375

Geothermal Project In addition to a federal geothermal leasehold, steam wells, gathering system and related facilities, the project consists of two electric generating stations (Plant 1 and Plant 2) with combined 165 MW (nameplate rating) turbine generator units utilizing low temperature geothermal steam; associated electrical, mechanical and control facilities; a heat dissipation system; a steam gathering system, a transmission tap-line, and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes well pads, access roads, steam wells and re-injection wells.

Hydroelectric Project The Agency contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, the Agency has the right to the electric output of the project for 50 years from February 1982. The Agency also has an option to purchase power from the project in excess of the District's requirements for the subsequent Federal Energy Regulatory Commission project license term of 30 to 50 years.

As part of a refinancing plan in November 2004, the Agency entered into two forward starting interest rate swaps in an initial notional amount of $85,160,000 and $1,574,000. Payments under the swap agreements with Citigroup Financial Products, Inc. began on April 2, 2008. To complete the refinancing transaction and realize the debt service savings under the 2004 swap agreement, on April 2, 2008 the Agency completed a bond refunding of 2023 to 2032 maturities of the 1998 Hydroelectric Refunding Series A bonds. These fixed rate bonds were refinanced through the issuance of tax-exempt 2008 Hydroelectric Refunding Series A ($85,160,000) bonds and taxable 2008 Hydroelectric Refunding Series B ($3,165,000) bonds. Both issues were variable interest rate bonds bearing interest at weekly interest rates, payable semi-annually on July 1 and January 1 each year.

To support this financing, the Agency entered into two irrevocable direct pay letter of credit agreements with Citibank that have since expired, being substituted with letters of credit with the Bank of Montreal in 2014. On April 30, 2019, the Agency terminated the 2008 Hydroelectric, Series B swap with Citigroup, and on May 14, the outstanding principal of $910,000 on the 2008 Hydroelectric, Series B bonds was called for redemption. On June 24, 2019 the agency completed a Letter of Credit substitution for the 2008 Hydroelectric, Series A bonds replacing the Bank of Montreal with Bank of America. The Letter of Credit expires on June 21, 2024.

The payment of principal and interest on the outstanding 2008 Hydroelectric Refunding Series A ($85,160,000) bonds are not covered by any financial guaranty insurance policies. This 2008 Hydroelectric Refunding and the associated interest rate swaps are estimated to have reduced project debt service by $11.8 million over the life of the debt providing the Agency with an estimated economic gain (difference between the present values of the old and new debt service payments) of approximately $5.9 million.

The remaining swap for the 2008 Hydroelectric Refunding Series A ($85,160,000) is a separate pay-fixed, receive-variable interest rate swap to produce savings or to result in lower costs over the life of the transaction than what the Agency would have paid using fixed-rate debt. While the swap is a derivative instrument and carries additional risks, the Agency’s swap policy and favorable negotiations have helped to reduce such risks.

Associated Interest Rate Swaps starting April 2, 2008	2008 Hydroelectric Refunding Revenue Bonds Forward Starting Swap Series A
Counterparty to Interest Rate Swap	Citigroup Financial Financial Products Inc.
Notional Value of Interest Rate Swap	$ 83,640,000
Fair Value--Due from (to) Counterparty	$(18,967,719)
Credit Downgrade Required Collateral Posting:	
For Counterparty, Fair Value Above	$10 million
If S&P or Moody's Credit Rating falls to	A-/A3 and BBB-/Baa3
For Agency (Credit of Agency's Insurer National Public Finance Guarantee formerly MBIA and NCPA credit), Fair Value Above	$10 million
If S&P or Moody's Credit Rating falls to	A+/A1
Termination Date	July 1, 2032

	Terms	Rates
Payments to (from) Counterparty	Fixed	3.819 %
Variable Payments (from) to Counterparty	54% LIBOR+.54%*	(1.411)%
Net Interest Rate Swap Payments		2.408 %
Variable-Rate Bond Payments	SIFMA**	0.996 %
Effective Interest Rate on Bonds		3.404 %

Average to Date: *1-Month London Inter-Bank Offered Rate
**Securities Industry and Financial Market Association Municipal Swap Index (formerly the Bond Market Association Municipal Swap Index)

Changes in interest rate swap liability for the year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
	(in thousands)			
Interest rate swap liability	$ 14,613	$ 4,355	$ -	$ 18,968

Changes in interest rate swap liability for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019
	(in thousands)			
Interest rate swap liability	$ 11,252	$ 3,361	$ -	$ 14,613

The total fair value of outstanding swap instruments was a net liability of $18,968,000 and $14,613,000 at June 30, 2020 and June 30, 2019, respectively. These amounts are reported as a non-current liability. The interest rate swaps beginning in FY 2013 are both ineffective hedges and considered investment derivative instruments. The change in fair value was $4.4 million and $3.5 million for years ended June 30, 2020 and 2019, respectively and are recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position. The net settlement payments of interest on these investment derivative instruments total $2.0 million and $1.6 million, which is recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position for FY 2020 and FY 2019, respectively. The value of the swaps noted above reflects the estimated fair value of the swaps at June 30, 2020 and 2019 as determined by the Agency's financial advisor. The fair value of the swaps will change due to notional amount, amortizations, and interest rate changes.

The interest rate swap exposes the Agency to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized. The Agency is exposed to interest rate risk on its pay-fixed, receive variable interest rate swaps. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Agency's financial instruments or cash flows. As the LIBOR or SIFMA swap index decreases, the Agency's net payment on swaps increases. In addition, the Agency is exposed to interest rate risk if the counterparty to the swap defaults or if the swap is terminated. The Agency is also exposed to market access risk, the risk that it will not be able to enter credit markets or that credit will become more costly. The Agency's financial rating is tied to the credit strength of the major participants of the specific project for which each financial instrument is issued. The Agency is also exposed to market access risks caused by disruptions in the municipal bond market.

To mitigate the potential for credit risk, the swap counterparties are required by the agreement to post collateral should the fair value exceed certain thresholds as shown above. At June 30, 2020, credit ratings of the counterparties to the swaps were as follows:

Swap Counterparty & Agency's Insurer	Standard & Poor's	Moody's
Citigroup Financial Products Inc.	A+	Aa3
National Public Finance Guarantee formerly MBIA (the Agency's insurer)	NR	Baa2

The swaps utilized the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. However, an additional provision under the Schedule to the ISDA Master Agreement allows the swap to be terminated by the Agency if the counterparty's credit rating falls below A- by Standard & Poor's or A3 by Moody's. If a swap is terminated, the applicable bonds would no longer carry a synthetic fixed interest rate. In addition, if a swap has a negative fair value at the time of an early termination, the Agency would be liable to the counterparty for a payment equal to the swap's fair value.

Combustion Turbine Project The original project consisted of five combustion turbine units, each nominally rated at approximately 25 megawatts. Concurrent with the final project bond maturity, two units located in Roseville were acquired by an Agency member. The remaining project consists of two units in Alameda and one in Lodi. The project provides capacity during peak load periods and emergency capacity reserves. Excess capacity and energy from the project are also sold to other entities from time to time.

Capital Facilities Project The project consists of one 49.9 megawatt natural gas-fired steam injected combustion turbine generator unit located in Lodi, California. Wastewater is reclaimed from the City of Lodi's White Slough water pollution control facility, processed to eliminate contaminants, and heated to steam and used in the turbine to produce augmented power and emissions control.

Lodi Energy Center (LEC) The project is a 296 MW base load, combined cycle, natural gas-fired, combustion turbine generating station (one gas turbine and one steam turbine) located in Lodi, California, next to the Capital Facilities Project discussed above. Pursuant to the Lodi Energy Center Power Sales Agreement, the Agency agreed to operate the LEC and has sold all of the capacity and energy of the LEC to thirteen participants (including four non-members) in accordance with their respective Generation Entitlement Shares (GES). Each participant has agreed to unconditionally provide for its share of the operation and maintenance expenses and all capital improvements based on its GES. The LEC will be operated and maintained by the Agency under the direction of the LEC Project Management and Operations Agreement among the Agency and the LEC Project Participants.

Lodi Energy Center Revenue Bonds, Issue One provided financing for 11 project participants with 55.7857% GES. Lodi Energy Center Revenue Bonds, Issue Two provided financing for the California Department of Water Resources 33.5% GES. The Modesto Irrigation District elected to provide its own financing for its 10.7143% GES of the costs of construction of the project. Modesto Irrigation District is not liable for any Agency debt service obligations for the project.

The Issue One Series B and the Issue Two Series B bonds were issued as Taxable Subsidy Bonds constituting Build America Bonds (BABs) for the purposes of the American Recovery and Reinvestment Act of 2009. The Act provides for a direct payment to the Agency from the federal government equal to 35% of the interest costs. The direct payment was reduced by 5.9% and 6.2% in 2020 and 2019, respectively due to federal government budget sequestration. Such payments may continue to be affected by sequestrations.

NOTE F – ASSET RETIREMENT OBLIGATION

NCPA constructed and operates generating plants, transmission, and other tangible assets that are used to provide its members with a portion of their power needs. For some of those assets, there are legally enforceable liabilities that require removal, disposal, remediation and other activities associated with their future retirement or with the termination of leases and licenses. The Agency has recognized Asset Retirement Obligations for those future asset retirement activities.

Geothermal Plant Decommissioning

The Agency developed the geothermal project (the "Geothermal Project") located on federal land in certain areas of Sonoma and Lake Counties, California (the "Geysers Area"). In addition to the geothermal leasehold, wells, gathering system and related facilities, the Geothermal Project consists of two electric generating stations (Plant 1 and Plant 2), with combined 165 MW (nameplate rating) turbine generator units utilizing low pressure, low temperature geothermal steam, associated electrical, mechanical and control facilities, a heat dissipation system, a steam gathering system, a transmission tapline and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes wellpads, access roads, steam wells and reinjection wells.

Steam for NCPA's geothermal plants comes from lands in the Geysers Area, which are leased by NCPA from the federal government. NCPA operates these steam-supply areas. Operation of the geothermal plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, NCPA partnered with other geothermal operators in the Geysers Area to finance and construct the Southeast Geysers Effluent Pipeline Project, which was completed in September 1997 and began operating soon thereafter. With the reduced rate of steam production decline, the useful life of the plant and associated tangible assets is projected through fiscal year 2059.

Under terms of the federal geothermal leasehold agreements, which became effective August 1, 1974, the leasehold had a 10-year primary term with provision for renewal as long thereafter as geothermal steam is produced or utilized, but not longer than 40 years. At the expiration of that period, if geothermal steam was still being produced, NCPA had a preferential right to renew the leasehold for a second term. In 2013, NCPA renewed the leasehold. The leasehold also requires NCPA to remove its leasehold improvements including the geothermal plants and steam gathering system when and if NCPA abandons the leasehold. Additionally, the United States Department of the Interior and Bureau of Land Management State issued the License for Electric Power Plant Site Utilizing Geothermal Resources. The license requires that NCPA remove all structures, machinery, and other equipment and restore the land within one year following the termination of the license.

The Agency authorized a decommissioning study for the Geothermal Project, and Black and Veatch provided that study to NCPA in December 2016. The study included detailed cost estimates totaling approximately $59.3 million (figures compiled prior to fiscal year 2016) for all retirement obligation activities. The study also projected the costs through 2020 using an Extrapolation Escalation Methodology for the following categories: 1) direct labor and subcontract costs less salvage value; 2) indirect costs; 3) construction equipment; 4) engineering and construction management; 5) and contingency. NCPA personnel then calculated the effective change between the escalated 2016 base and 2020 escalated costs to develop a composite escalation rate and assumed that the escalation rate was applicable evenly for each of the five years beginning in 2016; the resulting calculated annual escalation factor was 2.26%. The estimated retirement obligation costs for years ended June 30, 2020 and 2019 are $66,285,000 and $64,820,000, respectively. The annual retirement expense for years ended June 30, 2020 and 2019 are $1,580,795 and $1,544,165, respectively.

NCPA has been collecting monies to pay the expected decommissioning costs since 2007 and holds $22.5 million in a designated reserve for such purpose as of June 30, 2020. The initial ARO recognition included a reclassification of that reserve from a liability to the members to a deferred inflow that will be reduced as the decommissioning costs are funded in the future.

Lodi Energy Center and Capital Facilities Project Well Plugging

The agency owns and operates the Lodi Energy Center (LEC) and Capital Facilities projects located in Lodi, California.

The Lodi Energy Center is a 296 megawatt base load, combined cycle, natural gas-fired, combustion turbine generating station (one gas turbine and one steam turbine). The electric generation components (the "Power Island") of the Lodi Energy Center consists of the following components: (1) one natural gas-fired Siemens STGS-5000F combustion turbine-generator (CTG), with an evaporative cooling system and dry low-NOx combustors to control air emissions; (2) one 3-pressure heat recovery steam generator (HRSG), (3) a selective catalytic reduction (SCR) and carbon monoxide ("CO") catalyst to further control NOx and CO emissions, respectively; (4) one Siemens SST-900RH condensing steam turbine generator ("STG"); (5) one natural gas-fired auxiliary boiler; (6) one 7-cell draft evaporative cooling tower; and (7) associated support equipment. The Lodi Energy Center was placed into commercial operation on November 27, 2012. There is also a Class I Underground Injection Control Well, located at the West side of White Slough Water Treatment Plant at LEC. The useful life of the plant and associated tangible assets including the injection well is projected through fiscal year 2040.

The Capital Facilities Project consists of a natural gas-fired combustion turbine power generating station, Unit One, with a design rating of 49.9 MW located in the City of Lodi. Construction of the Project began in September 1993, with commercial operation commencing in 1996. The power generating station consists of a single natural gas-fired steam injected gas turbine, generator, and required auxiliary and electrical interconnection systems. Additionally, the STIG project includes a Class I Underground Injection Control Well, located at the West side of White Slough Water Treatment Plant. The useful life of the plant and associated tangible assets including the injection well is projected through fiscal year 2040.

The LEC and Capital Facilities projects are located on property owned by the City of Lodi (City). The Agency entered into the Second Amended and Restated Ground Lease by and between the City of Lodi (Landlord) and the Northern California Power Agency (Tenant), dated April 29, 2013. The agreement requires that upon termination of the lease, NCPA must abandon and close any and all injection wells utilized on the premises with the exception of the Southeast Corner Test Well, which is the responsibility of the City. Additionally, Federal Environmental Protection Agency (EPA) regulations set forth requirements in subpart F of 40 CFR part 144 for the Federal Underground Injection Control (UIC) program and the plugging of injection wells.

The Agency commissioned engineering firm AECOM to develop construction cost estimates for closing the wells. The firm's estimates were included in Exhibit Q-1, Plugging and Abandonment Plan, Stig-1 & LEC-1 in a 2019 EPA permit filing. The estimated cost of plugging the Lodi Energy Center injection well totaled $0.169 million, and the estimated cost of plugging the Capital Facilities injection well totaled $0.149 million. The estimated costs are based on mobilization/demobilization, construction costs, contingency, and engineering and field oversight costs. The assumed escalation factor for these projects is 2.58% based on the 2018 Handy Handy-Whitman Index of Public Utility Construction Costs (Bulletin No. 187).

The estimated retirement obligation costs for the LEC well plugging is $182,773 with an annual retirement obligation expense of $7,975 for year ended June 30, 2020. The estimated retirement obligation costs for the LEC well plugging is $178,173 with an annual retirement obligation expense of $7,756 for year ended June 30, 2019. The estimated retirement obligation costs for the Capital Facilities Project well plugging is $160,579 with an annual retirement obligation expense of $7,006 for year ended June 30, 2020. The estimated retirement obligation costs for the Capital Facilities Project well plugging is $156,538 with an annual retirement obligation expense of $6,814 for year ended June 30, 2019.

Currently there are no assets restricted for payment of the injection well closures. To meet the legally required funding and assurance provisions of the injection well closures, NCPA files with the EPA annually. This filing includes a financial test to demonstrate financial assurance, as specified in subpart F of 40 CFR part 144.

NOTE G -- RETIREMENT PLAN

General Information about the Pension Plans

Plan Descriptions The Agency provides a defined benefit retirement plan to all eligible employees under the Public Employees' Retirement System (PERS). The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. In 2012, the Public Employees' Pension Reform Act (PEPRA) become law that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA. Employees hired prior to January 1, 2013, and those new employees not meeting the PEPRA definition of new member, are considered classic members.

The Plans' provisions and benefits in effect at June 30, 2020 and 2019, are summarized as follows:

Hire date	**Prior to January 1, 2013**	**On or After January 1, 2013**
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 full-time years	5 full-time years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	60 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%
Required employee contribution rates	8.00%	6.50%
Required employer contribution rates	32.649%	32.649%

Employees Covered – At June 30, 2020 and 2019, the following employees were covered by the benefit terms for each Plan:

	2020	2019
Inactive employees or beneficiaries currently receiving benefits	142	135
Inactive employees entitled to but not yet receiving benefits	15	14
Active employees	151	150
Total	308	299

Contributions Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2019 and 2018 (the measurement dates), the average active employee contribution rates were 8.961% and 7.704%, respectively, of annual pay and the Agency's contribution rates are 42.713% and 35.006%, respectively, of annual payroll. Employer contribution rates may change if plan contracts are amended.

Net Pension Liability - The Agency's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities as of June 30, 2020 and 2019 were determined using the following actuarial assumptions:

	2020	2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	2.75%-8.50% (1)	2.75%-8.50% (1)
Investment Rate of Return	7.375% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age and service.
(2) Net of pension plan investment expenses, including inflation.
(3) Derived using CalPERS' specific membership data with projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

Discount Rate The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.30%. For the measurement year ended June 30, 2018 and 2017, using this lower discount rate resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

On December 21 2016, CalPERS announced to employers that the CalPERS Board of Administration voted to lower the discount rate assumption, net of administrative expenses, from 7.5% to 7.0% over a three year period as follows:

- FY 2017-2018: 7.375%
- FY 2018-2019: 7.25 %
- FY 2019-2020: 7.00 %

There will be a one year implementation delay for school districts and public agencies deferring the first rate discount decrease to FY 2018-2019. Lowering the discount rate, also known as the assumed rate of return, means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. CalPERS has estimated that the three-year reduction of the discount rate will result in average employer rate increases of about 1 percent to 3 percent of normal cost as a percent of payroll in addition to increases to the current unfunded accrued liability payments. Although CalPERS implemented the discount rate reduction over a three year period to mitigate the impact to employer agencies, the GASB 68 Accounting Report assumed that the effective discount rate is 7.15% effective for fiscal year 2018 forward.

To mitigate the growing unfunded accrued liability, the Agency implemented a Long-Term Funding Plan for NCPA's Employee Pension Program which includes accelerated funding of the unfunded liability over a 15 year period. The plan includes: 1) a goal for minimum funding level of 80% within 15 years and annual Commission confirmation of the continued funding of the annual required employer contribution at 100%; 2) shorten the amortization period of the liability to 15 years; 3) research other ways to limit the pension liability; and 4) annual Finance Committee review in conjunction with annual CalPERS actuarial valuations and recommendation to the Commission as needed. In addition, the Agency has a budget policy that mandates an annual reconciliation of budgeted versus actual pension costs. The policy requires that positive budget variances are contributed as payments against the unfunded liability at year end.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

For measurement period ending June 30, 2019:

Asset Class	Strategic Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	50.00%	4.80%	5.98%
Private Equity	8.00%	6.30%	7.23%
Fixed Income	28.00%	1.00%	2.62%
Liquidity	1.00%	0.00%	-0.92%
Real Estate	13.00%	3.75%	4.93%
Inflation Assets	0.00%	0.77%	1.81%
Other	0.00%	0.00%	0.00%

[1] An expected inflation of 2.0% used for this period
[2] An expected inflation of 2.9% used for this period

For measurement period ending June 30, 2018:

Asset Class	Strategic Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	49.00%	4.80%	5.98%
Private Equity	8.00%	6.30%	7.23%
Fixed Income	22.00%	1.00%	2.62%
Liquidity	3.00%	0.00%	-0.92%
Real Estate	12.00%	3.75%	4.93%
Inflation Assets	6.00%	0.77%	1.81%
Other	0.00%	0.00%	0.00%

[3] An expected inflation of 2.0% used for this period
[4] An expected inflation of 2.9% used for this period

Changes in the Net Pension Liability

The change in the Net Pension Liability for each Plan follows:

	Increase/(Decrease)		
Description	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2019	$ 160,611,316	$ 99,538,182	$ 61,073,134
Service cost incurred	3,521,688	-	3,521,688
Interest on total pension liability	11,463,532	-	11,463,532
Differences between actual and expected experience	1,919,478	-	1,919,478
Change in assumption	-	-	-
Change in benefits	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions – employer	-	8,704,519	(8,704,519)
Contributions – employee	-	1,826,209	(1,826,209)
Net investment income`	-	6,536,424	(6,536,424)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(7,925,026)	(7,925,026)	-
Administrative expense	-	(71,033)	71,033
Other Miscellaneous Income/(Expense)	-	226	(226)
Net changes	8,979,672	9,071,319	(91,647)
Balance at June 30, 2020	$ 169,590,988	$ 108,609,501	$ 60,981,487

Description	Increase/(Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 158,591,178	$ 90,091,516	$ 68,499,662
Service cost incurred	3,511,108	-	3,511,108
Interest on total pension liability	10,837,217	-	10,837,217
Differences between actual and expected experience	(324,038)	-	(324,038)
Change in assumption	(4,902,279)	-	(4,902,279)
Change in benefits	-	-	-
Net Plan to Plan Resource Movement	-	(226)	226
Contributions – employer	-	7,769,425	(7,769,425)
Contributions – employee	-	1,532,206	(1,532,206)
Net investment income	-	7,654,116	(7,654,116)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(7,101,870)	(7,101,870)	-
Administrative expense		(140,387)	140,387
Other Miscellaneous Income/(Expense)	-	(266,598)	266,598
Net changes	2,020,138	9,446,666	(7,426,528)
Balance at June 30, 2019	$ 160,611,316	$ 99,538,182	$ 61,073,134

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15% for 2020 and 6.15% for 2019) or 1-percentage point higher (8.15% for 2020 and 8.15% for 2019) than the current rate:

2020	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 82,947,879	$ 60,981,487	$ 42,702,182

2019	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 82,076,995	$ 61,073,134	$ 43,589,609

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ending June 30, 2020 and 2019, the Agency incurred pension expense of $8,084,855 and $6,195,239, respectively. At June 30, 2020 and 2019, the Agency has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,879,479	$ -
Changes in assumptions	2,208,826	(2,510,923)
Differences between actual and expected experience	1,441,487	(661,018)
Net differences between projected and actual earnings on plan investments	-	(396,185)
Total	$ 12,529,792	$ (3,568,126)

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,703,934	$ -
Changes in assumptions	4,417,653	(3,818,726)
Differences between actual and expected experience	156,022	(1,303,551)
Net differences between projected and actual earnings on plan investments	102,772	-
Total	$ 13,380,381	$ (5,122,277)

Pension contributions subsequent to measurement date of $8,879,479 and $8,703,934 reported as deferred outflows of resources for years ending June 30, 2020 and 2019, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021 and 2020, respectively.

For reporting year ended June 30, 2020, amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2020	$ 1,289,113
2021	(1,544,350)
2022	209,180
2023	128,244
2024	-
Thereafter	-
Total	$ 82,187

Payable to the Pension Plan At June 30, 2020 and 2019 the Agency did not have an outstanding amount of contributions payable to the pension plan required for the years ended.

NOTE H -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

The Agency contracts with the CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA) for employee medical insurance. In connection with this plan, the Agency provides medical insurance to all active employees and their families, as well as all qualified retirees (and spouses), subject to certain limitations. The Agency has maintained an actuarially based restricted fund for the sole purpose of paying medical insurance premiums for qualified retired employees (and spouses) participating in the CalPERS medical plan. In 2007, the Agency became a participant in the CalPERS California Employers' Retiree Benefit Trust (CERBT), a pre-funding OPEB plan, which is an irrevocable multi-employer trust and plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. CalPERS issues publicly available reports that include the net changes in Fiduciary Net Position by Employer that can be found on the CalPERS website.

The Agency makes its Actuarially Determined Contribution (ADC) to this OPEB plan annually. The ADC represents the service cost plus an amortized amount of net OPEB liabilities (NOL). The amortization of NOL is based on a 30 year level dollar amount on a "closed" basis. There are 25 years remaining as of the measurement date of June 30, 2018.

Summary of certain plan provisions and benefits in effect during fiscal year ended June 30, 2019:

Required service for eligibility	Pre-1/1/2009 Hires, 5 full-time years On or After 1/1/2009 Hires, 5 full-time years and minimum 10 years CalPERS service
Minimum retirement age	50
Benefit payments	Monthly for life
Vesting for eligible employees	Pre-1/1/2009 Hires, 100% at 5 years On or After 1/1/2009 Hires, 50% at 10 years; 5%/year up to 100% at 20 years
Maximum monthly benefit	Hired pre-1/1/2019, 90% of Kaiser Family rate for the Sacramento area (Region 1). For Hydroelectric and Geothermal based employees, their cap is increased by $75. Hired 1/1/2019 and later, capped at 100% of Kaiser Senior Advantage rate for Sacramento area (Region 1). For Geothermal based employees where the Kaiser plan is not available, their cap is increased by $75.

Employees Covered – At June 30, 2020 and 2019, the following employees were covered by the benefit terms for each Plan:

	2020	2019
Inactive employees or beneficiaries currently receiving benefits	148	133
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	150	150
Total	298	283

Contributions The Actuarially Determined Contribution (ADC) and funded status of the OPEB plan were determined based on current cost trends of the CalPERS health plans in which the employees currently participate at the time of the actuarial valuation. The June 30, 2019 actuarial valuation was prepared on the basis of the OPEB assumption model, as prescribed by the CalPERS, in effect at the time of the valuation. At fiscal year-end June 30, 2020, the Agency had 150 active eligible employees and 148 retirees drawing benefits under this program.

The ADC and funded status of the plan are subject to periodic revision based on actual results, changes in assumptions or plan provisions, and new estimates of expected future circumstances. Future actuarial valuations will be performed every two years, as prescribed by CalPERS.

The Agency's ADC (based on actuarially established rates) was determined as part of a June 30, 2019 actuarial valuation using the entry age normal actuarial cost method. The primary actuarial assumptions included: valuation using the Entry Age Normal Cost Method, 6.75% annual discount rate, payroll growth of 3.52% to 9.27%, 2.75% inflation, and maximum employer contribution increases derived from the Getzen Model for developing long-term health care cost trends.

To mitigate the growing OPEB unfunded accrued liability, the Agency implemented a Long-Term Funding Plan for the NCPA Retiree Medical Plan which includes: 1) establish a goal to obtain a minimum funding level of 80% within 15 years and confirm the policy of funding 100% or more of the ARC each year; 2) reduce actuarial liability by developing a cap for health care premiums going forward; 3) shorten the amortization period used in the actuarial calculations from 28 years to 15 years; 4) consider additional funding sources for increased funding of the ARC, including further budget reductions or new revenues (from members or new services/customers); and 5) conduct new actuarial studies on a biennial basis as required and review the updated results with the Finance Committee, who will make recommendations for revision to the Commission as needed.

The Agency has a budget policy that mandates an annual reconciliation of budgeted versus actual OPEB costs. The policy requires that positive budget variances are contributed as payments against the unfunded liability at fiscal year end. Additionally, effective 1/1/2019, NCPA created a third tier level for OPEB for employees hired after that date. Employees in tier three are eligible for Agency payment of 100% of the CalPERS Kaiser Senior Advantage rate for Sacramento area (Region 1); Tier 1 and Tier 2 employees are eligible for Agency payment of 90% of the CalPERS Kaiser Family Rate for Sacramento area. The change will be included in the fiscal year 2020 actuarial valuation update and has no impact to fiscal year 2019 and will reduce NCPA's OPEB liability on a going forward basis as the Agency hires future employees.

Net OPEB Liability The Agency's net liability for the OPEB Plan is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions The total OPEB liabilities as of June 30, 2020 and 2019 are determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Valuation Date	June 30, 2019	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.75%	2.50%
Payroll Growth	3.52%-9.27%	3.80%-9.40%
Projected Salary Increase	Varies (1)	Varies (1)
Investment Rate of Return	6.75% (2)	6.75% (2)
Mortality	(3)	(3)
Healthcare cost trend rates	(4)	(4)

(1) Depending on age and service.
(2) Net of OPEB trust investment expenses, including inflation.
(3) Mortality rates are based on the 2016 California PERS (CalPERS) Pension report and includes a projection to 2028 using scale BB to account for anticipated future mortality improvement.
(4) Medical inflation was based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trends. A margin to reflect the impact of the excise tax in future years is reflected in the assumed trend. The trend also reflects the removal of the Health Insurer Fee for calendar year 2019. This fee will be assessed again in calendar year 2020.

Discount Rate The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the Agency's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability. To the extent that OPEB trust assets are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal Bonds as of the measurement date.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (net of administrative expenses):

For measurement period ending June 30, 2019:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59.00%	8.15%
US Fixed Income	25.00%	6.38%
Treasury Inflation-Protected Securities	5.00%	3.72%
Real Estate Investment Trusts	8.00%	7.77%
Commodities	3.00%	5.32%

For measurement period ending June 30, 2018:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.00%	7.92%
US Fixed Income	27.00%	6.83%
Treasury Inflation-Protected Securities	5.00%	3.95%
Real Estate Investment Trusts	8.00%	7.56%
Commodities	3.00%	5.47%

Changes in the Net OPEB Liability

	Increase/(Decrease)		
Description	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2019	$ 36,314,217	$ 31,261,362	$ 5,052,855
Service cost incurred	1,036,513	-	1,036,513
Interest on total OPEB liability	2,456,709	-	2,456,709
Differences between actual and expected experience	(873,781)	-	(873,781)
Change in assumption	450,018	-	450,018
Change in benefits	-	-	-
Contributions – employer	-	4,094,854	(4,094,854)
Contributions – employee	-	-	-
Net investment income	-	2,012,435	(2,012,435)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(1,941,780)	(1,941,780)	-
Administrative expense	-	(6,837)	6,837
Net changes	1,127,679	4,158,672	(3,030,993)
Balance at June 30, 2020	$ 37,441,896	$ 35,420,034	$ 2,021,862

	Increase/(Decrease)		
Description	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2018	$ 34,809,706	$ 27,307,506	$ 7,502,200
Service cost incurred	970,972	-	970,972
Interest on total OPEB liability	2,354,734	-	2,354,734
Differences between actual and expected experience	-	-	-
Change in assumption	-	-	-
Change in benefits	-	-	-
Contributions – employer	-	3,642,455	(3,642,455)
Contributions – employee	-	-	-
Net investment income	-	2,147,351	(2,147,351)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(1,821,195)	(1,821,195)	-
Administrative expense	-	(14,755)	14,755
Net changes	1,504,511	3,953,856	(2,449,345)
Balance at June 30, 2019	$ 36,314,217	$ 31,261,362	$ 5,052,855

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan, calculated using the discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

2020	**Discount Rate – 1% (5.75%)**	**Current Discount Rate (6.75%)**	**Discount Rate + 1% (7.75%)**
Plan's Net OPEB Liability	$ 6,456,442	$ 2,021,862	$ (1,669,333)

2019	**Discount Rate – 1% (5.75%)**	**Current Discount Rate (6.75%)**	**Discount Rate + 1% (7.75%)**
Plan's Net OPEB Liability	$ 9,327,391	$ 5,052,855	$ 1,495,493

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

2020	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability	$ (2,089,383)	$ 2,021,862	$ 7,081,920

2019	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability	$ 1,345,813	$ 5,052,855	$ 9,688,171

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ending June 30, 2020 and 2019, the Agency incurred OPEB expense of $1,057,789 and $1,234,406, respectively. At June 30, 2020 and 2018, the Agency has deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,911,488	$ -
Differences between actual and expected experience	-	(699,025)
Changes in consumption	360,014	-
Net differences between projected and actual earnings on plan investments	135,168	(470,075)
Total	$ 4,406,670	$ (1,169,100)

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,674,502	$ -
Changes in assumptions	-	-
Differences between actual and expected experience	-	-
Net differences between projected and actual earnings on plan investments	-	(679,990)
Total	$ 3,674,502	$ (679,990)

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in future OPEB expense as follows:

Measurement Period Ended June 30, 2020:		Deferred Outflows/(Inflows) of Resources
2020	$	(260,875)
2021		(260,875)
2022		(101,203)
2023		(50,963)
2024		-
Thereafter		-
Total	$	(673,918)

Payable to the OPEB Plan At June 30, 2020 and 2019, the Agency did not have an outstanding amount of contributions payable to the OPEB plan required for the year ended.

The funded status of the plan and the annual required contributions are subject to periodic revision based on actual results, changes in assumptions or plan provisions, and new estimates of expected future circumstances. Future actuarial valuations will be performed every two years, as prescribed by CalPERS.

NOTE I -- COMMITMENTS AND CONTINGENCIES

Power Purchase Contracts The Agency had commitments of approximately $52.8 million in connection with various power purchase contracts as of June 30, 2020. The contracts, extending through December 2040, are normal purchases at agreed to contract prices for fixed quantities of energy. Certain of the Agency's members have individually entered into certain other long-term contracts, which the Agency dispatches and schedules for them. See Note B - Summary of Significant Accounting Policies.

Some of these power purchase contracts include Renewable Energy Certificates (RECs) which are qualified by Western Renewable Energy Generation Information Systems (WREGIS) and used to meet California's Renewable Energy Portfolio. Generation from solar, wind, geothermal and certain sized hydroelectric units receive RECs for each MWh of renewable generation. Excess RECs may be sold in California compliance market. At June 30, 2020, negotiated REC prices range from $15 to $16 per REC.

Resource Adequacy Contracts The Agency had commitments of approximately $4.2 million in connection with various resource adequacy capacity contracts as of June 30, 2020. The contracts, extending through July 2022, are normal purchases at agreed to contract prices for fixed quantities of capacity. Certain of the Agency's members have individually entered into other long-term capacity contracts.

Fuel Supply Agreements The Agency has entered into the following agreements to provide natural gas fuel supply for use in its generation resources:

- A 30-year agreement terminating in October 2023 with various natural gas pipeline management companies under which the Agency has acquired firm natural gas pipeline transportation capacity in four separate natural gas pipelines between Alberta, Canada and northern California. The estimated minimum annual natural gas transmission commitment is approximately $672,000. The Agency's firm natural gas pipeline transportation capacity is scheduled by Mercuria Energy Gas Trading, LLC (Mercuria) pursuant to the term and conditions of an Asset Management Agreement for Pipeline Transportation Capacity that became effective on January 1, 2015.
- On behalf of the participants in the Combustion Turbine Project Number One and the Capital Facilities project, the Agency entered into an agreement with EDF Trading North America, LLC (EDF) effective January 1, 2013 to provide natural gas supply and scheduling, nomination, balancing and settlement services. The contract automatically renews each year on January 1, unless terminated earlier by six-months written notice by either party.
- The Agency had approximately $5.4 million of gas purchase commitments at June 30, 2020. The commitments, extending through December 2022, are normal purchases at agreed to prices for fixed quantities of gas.

Western Area Power Administration Base Resource A number of the Agency's members, who had an aggregate 18.87957% of the Base Resource Contract with the Western Area Power Administration to receive electric power from the Central Valley Project in California, have assigned their shares to the Agency in order to create a power resource portfolio for the mutual benefit of participating Agency members. The assignments terminate the earlier of December 31, 2024 or 60 days after Western approves a reassignment.

Geothermal Royalties Under terms of federal geothermal leasehold agreements, the Agency is required to pay royalties to the United States (U.S.) on the value of geothermal steam produced. Currently, the effective rate of such royalties is 3.6% of an amount based on the Agency's monthly weighted average cost of third-party wholesale electricity purchases made by Agency members participating in the Geothermal Project. The U.S. Department of the Interior, Office of Natural Resources Revenue maintains the right to periodically review and withdraw their approval or to change this methodology should operations, market conditions, or Federal regulations change.

CLAIMS AND LITIGATION

California Energy Crisis During 2000 and 2001, California experienced extreme fluctuations in the prices and supplies of natural gas and electricity in much of the State. While there has been progress in addressing these issues, uncertainty remains. As a result, no assurance can be given that measures undertaken, together with measures to be taken in the future, will prevent the recurrence of shortages, price volatility or other energy problems that have adversely affected California electric utilities in the past. The Agency has settled with the plaintiffs in related litigation, and while the settlement has been approved by FERC, there are still some claims by others that remain ongoing. Although the Agency considers these claims to be lacking in merit, no assurance thereof can be given until all proceedings are finally concluded.

The California Parties have completed the process of reconciling the amounts recorded on the ISO and PX books with all the settlements entered into by the California Parties (including the settlement with NCPA). In their April 22, 2020 filing, the California Parties asserted that no adjustments were needed for NCPA to account for the differences between the interest owed and interest actually collected on certain escrow accounts. FERC has not yet issued an order accepting the California Parties" April filing.

Greenhouse Gas (GHG) Emissions The California Global Warming Solutions Act of 2006 (also known as California Assembly Bill 32 or AB 32) requires the gradual reduction of state-wide GHG emissions to the 1990 level by 2020. The California Air Resources Board (CARB) is the state agency charged with monitoring GHG levels and adopting regulations to implement and enforce AB 32. The CARB has approved various regulations, including regulations that established a state-wide, comprehensive ''cap-and-trade'' program that sets a gradually declining limit (or ''cap'') on the amount of GHGs that may be emitted by the major sources of GHG emissions each year. GHG emissions are measured in metric tons (MT) of carbon dioxide-equivalent greenhouse gases (CO_{2e}) per year.

The cap and trade program's first two-year compliance period, which began January 1, 2013, applies to the electricity generation and large industrial sectors. The next compliance period, from January 1, 2015 through December 31, 2017, expanded to include the natural gas supply and transportation sectors, effectively covering all the capped sectors until 2020. In July 2017, CARB adopted an updated set of cap-and-trade regulations that extends the cap-and-trade program to 2030. The updated regulations continue the direct allocation of allowances to distribution utilities which in turn can be transferred by members to the Agency.

The Agency's Lodi Energy Center gas plant, Steam Injected Gas Turbine gas plant and electricity imports (purchased power) are subject to the compliance rules established by CARB for the cap-and-trade program. As such, the Agency acquires sufficient compliance instruments to cover its compliance obligations or receives transfers of required compliance instruments from its project participants. At June 30, 2020, the Agency had cumulative compliance obligations of 945,062 MT with 1,355,782 MT of acquired allowances to meet its compliance obligations. At June 30, 2019, the Agency had cumulative compliance obligations of 764,634 MT with 1,030,567 MT of acquired allowances to meet it compliance obligations.

Other Factors Affecting the Electric Utility Industry Electric industry market participants, such as the Agency and its members, continue to face numerous potential risks and uncertainties including, but not limited to, significant volatility in energy prices and increased transmission and ancillary services costs; new federal and state renewable energy requirements, operating efficiency, and environmental standards; and, global pressures on economic and financial market conditions. The Agency and its members continue to study and to take various actions in an effort to mitigate and manage these risk and uncertainties. However, the Agency cannot predict either the ultimate outcome of these ongoing changes or whether such outcome will have a material adverse effect on its financial position or results of operations.

Other Legal Matters The Agency is engaged in various legal proceedings before federal and state courts and various administrative tribunals incidental to the Agency's operations.

Based on its review of the aforementioned proceedings with outside legal counsel, the Agency believes that the ultimate aggregate liability, if any, resulting from these proceedings will not have a materially adverse effect on the combined financial position or results of operations of the Agency.

Claims On September 9, 2015, a major wildfire (The Valley Fire) occurred in the California counties of Lake, Napa, and Sonoma. The fire burned approximately 74,000 acres and destroyed approximately 1,960 structures including homes, commercial properties, and other minor structures. The Agency's Geysers geothermal and effluent projects are located in Lake and Sonoma Counties, and some of those facilities were damaged in the fire. Damage and reparation costs totaled $1.74 million in 2015 and 2016. A Presidential Disaster Declaration was issued on September 22, 2015. Public Assistance was added to the Disaster Declaration on October 9, 2015. The Agency recovered $531,317 from the project insurance policy in fiscal year 2017. To date the Agency has collected $290,200 in public assistance grants and this project is in the project-close-out process. NCPA will record additional proceeds in other non-operating revenue in the fiscal year in which they are received.

During the period of January 3-12, 2017, severe winter storms caused flooding and mudslides in many California Counties. As a result of those storms, the Beaver Creek Diversion Dam and McKays Point Reservoir filled with sediment and debris, and Beaver Creek required emergency dredging after the river flows receded during the summer. Additionally, much of the Project was inaccessible for weeks as a result of numerous road failures. Repair costs totaled approximately $2.2 million. Construction was completed in fall 2017. The Agency recovered $1,270,036 from the project insurance policy in fiscal year 2018. On February 14, 2017, a Presidential Disaster Declaration was issued including federal disaster assistance. To date the Agency has collected $109,500 in public assistance grants and this project is in the project-close-out process. NCPA will record additional proceeds in other non-operating revenue in the fiscal year in which they are received.

On October 23, 2019, a major wildfire (The Kincade Fire) began burning in Sonoma County. The fire burned approximately 78,000 acres and destroyed approximately 370 structures including homes, commercial properties, and other minor structures. The Agency's Geysers geothermal and effluent projects are located in Lake and Sonoma Counties, and NCPA Geo Plant 1 tripped offline, initiated by a 230kV line protection relay. NCPA was notified that a wild fire was reported in the area near the Geo facilities. NCPA shut down both units for safety compliance and increased fire mitigation efforts. On October 25, 2019, Governor Gavin Newsom proclaimed a state of emergency. The Agency seeks to recover public assistance grants and will record those proceeds in other non-operating revenue in the fiscal year in which they are received.

In December 2019, a novel (new) coronavirus known as SARS.CoV-2 (COVID-19) was detected in Wuhan, China, causing outbreaks that have spread globally. The Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020. The Federal Government, along with State and local governments, has taken preventive and proactive measures to slow the spread of COVID-19, treat those affected, and accelerate the acquisition of personal protective equipment. On March 13, 2020, a Presidential National Emergency Declaration was issued including Public Assistance. In accordance with Section 502 of the Stafford Act, eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of the public health officials' may be reimbursed under Category B of Federal Emergency Management Agency's (FEMA) Public Assistance program. The Agency implemented certain procedures to mitigate the spread of COVID-19 in accordance with recommendations by the Centers for Disease Control and Prevention (CDC) and the Placer County Health Department. The Agency has filed a claim to recover costs associated with these new procedures.

Risk Management The Agency is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, and on the job injuries of employees. These risks are covered through the purchase of, property, commercial, directors and officers, and workers compensation insurance, with minimal deductibles. Settled claims with insurers have not exceeded the commercial liability limits in any of the past three years. During the Agency's insurance renewal period in FY 2020, multiple catastrophic California wildfires that occurred over the last few years as well as fires in 2019 had a significant impact on the liability insurance market in California. In addition, some insurers have left the market completely while others have reduced capacities and/or excluded wildfire coverage altogether. As a result, the Agency experienced upward price pressure for liability and property coverage during FY 2020. Wildfire liability insurance coverage limits decreased from $75.0 million to $35.0 million while premiums for the reduced limits increased by 45.4%. Property coverage remained comparable to prior year, while premiums increased by 22.7%

In compliance with Senate Bill 901, the Agency has developed and implemented a Wildfire Risk Mitigation Plan at the Geothermal and Hydroelectric Plants to utilize proactive measures to prevent or limit fires and resulting damages before they occur.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Changes in the Net Pension Liability and Related Ratios Last 10 Measurement Years *	**FY 2019**	**FY 2018**	**FY 2017**	**FY 2016**	**FY 2015**	**FY 2014**
Total Pension Liability						
Service cost	$ 3,521,688	$ 3,511,108	$ 3,548,776	$ 3,152,017	$ 3,256,167	$ 3,220,329
Interest on total pension liability	11,463,532	10,837,217	10,678,090	10,328,232	9,734,270	9,285,364
Differences between expected and actual experience	1,919,478	(324,038)	(1,980,198)	581,539	(1,437,389)	-
Changes in assumptions	-	(4,902,279)	8,835,307	-	(2,354,661)	-
Changes in benefits	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(7,925,026)	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Net change in total pension liability	8,979,672	2,020,138	14,671,560	8,073,395	3,675,405	7,446,549
Total pension liability - beginning	160,611,316	158,591,178	143,919,618	135,846,223	132,170,818	124,724,269
Total pension liability - ending (a)	$ 169,590,988	$ 160,611,316	$ 158,591,178	$ 143,919,618	$ 135,846,223	$ 132,170,818
Plan fiduciary net position						
Contributions - employer	$ 8,704,519	$ 7,769,425	$ 6,752,236	$ 5,406,928	$ 5,584,985	$ 5,507,642
Contributions - employee	1,826,209	1,532,206	1,556.483	1,453,722	1,433,343	1,410,488
Net investment income	6,536,424	7,654,116	8,979,321	434,144	1,754,108	10,868,237
Benefit payments	(7,925,026)	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Administrative and other expense	(70,807)	(407,211)	(117,127)	(47,581)	(87,934)	-
Net change in plan fiduciary net position	9,071,319	9,446,666	10,760,498	1,258,820	3,161,520	12,727,223
Plan fiduciary net position - beginning	99,538,182	90,091,182	79,331,018	78,072,198	74,910,678	62,183,455
Plan fiduciary net position – ending (b)	$ 108,609,501	$ 99,538,182	$ 90,091,516	$ 79,331,018	$ 78,072,198	$ 74,910,678
Net pension liability - ending (a)-(b)	$ 60,981,487	$ 61,073,134	$ 68,499,662	$ 64,588,600	$ 57,774,025	$ 57,260,140
Plan fiduciary net position as a percentage of the total pension liability	64.04%	61.97%	56.81%	55.12%	57.47%	56.68%
Covered - employee payroll	$ 20,379,246	$ 19,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,293	$ 17,596,462
Net pension liability as percentage of covered-employee payroll	318.60%	320.66%	368.81%	356.42%	314.58%	325.41%

Notes to Schedule:

Benefit changes The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2019. This applies for voluntary benefit changes as well as any offers to Two Years Additional Service Credit (aka Golden Handshakes).

Changes in assumptions In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, CalPERS reduced the discount rate from 7.65% to 7.15%. In 2016, GASB 68 was modified to state that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. Accordingly, the discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of June 30, 2015 measurement date to reflect this required methodology change.

* Measurement fiscal year 2014 was the first year of implementation, therefore only Six years are shown.

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Pension Plan Contributions Last 10 Fiscal Years *	**FY 2020**	**FY 2019**	**FY 2018**	**FY 2017**	**FY 2016**	**FY 2015**
Actuarially Determined Contribution	$ 6,839,592	$ 6,837,159	$ 6,263,130	$ 5,715,970	$ 5,406,928	$ 5,065.861
Contributions in Relation to the Actuarially Determined Contribution	(8,704,519)	(8,703,934)	(7,769,768)	(6,752,236)	(5,406,928)	(5,584,985)
Contribution Deficiency (Excess)	$ (1,864,927)	$ (1,866,775)	$ (1,506,638)	$ (1,036,266)	$ -	$ (519.124)
Covered-Employee Payroll[1]	$ 19,140,650	$ 20,379,246	$ 19,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,293
Contributions as a Percentage of Covered-Employee Payroll[1]	45.48%	42.71%	40.79%	36.35%	29.84%	30.41%

[1] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Pensionable earnings are covered employee payroll reduced for earnings and other earnings adjustments not subject to pension contributions.

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

REQUIRED SUPPLEMENTARY INFORMATION- Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Changes in the Net OPEB Liability and Related Ratios Last 10 Measurement Years *

	FY 2019	FY 2018	FY 2017
Total OPEB Liability			
Service cost	$ 1,036,513	$ 970,972	$ 909,576
Interest on total OPEB liability	2,456,709	2,354,734	2,256,395
Differences between expected and actual experience	(873,781)	-	-
Changes in assumptions	450,018	-	-
Changes in benefits	-	-	-
Benefit payments, including refunds of employee contributions	(1,941,780)	(1,821,195)	(1,721,416)
Net change in total OPEB liability	1,127,679	1,504,511	1,444,555
Total OPEB liability - beginning	36,314,217	34,809,706	33,365,151
Total OPEB liability - ending (a)	$ 37,441,896	$ 36,314,217	$ 34,809,706
Plan fiduciary net position			
Contributions - employer	$ 4,094,854	$ 3,642,455	$ 3,914,644
Contributions - employee	-	-	-
Net investment income	2,012,435	2,147,351	2,390,569
Benefit payments	(1,941,780)	(1,821,195)	(1,721,416)
Administrative expense	(6,837)	(14,755)	(11,683)
Net change in plan fiduciary net position	4,158,672	3,953,856	4,572,114
Plan fiduciary net position - beginning	31,261,362	27,307,506	22,735,392
Plan fiduciary net position - ending (b)	$ 35,420,034	$ 31,261,362	$ 27,307,506
Net OPEB liability - ending (a)-(b)	$ 2,021,862	$ 5,052,855	$ 7,502,200
Plan fiduciary net position as a percentage of the total OPEB liability	94.60%	86.09%	78.45%
Covered - employee payroll	$ 20,379,246	$ 19,556,204	$ 18,573,174
Net OPEB liability as percentage of covered-employee payroll	9.92%	25.84%	40.39%

Notes to Schedule:

Benefit changes The benefit payments for FY 2019, FY 2018 and FY 2017 consist of pay-as-you-go cost of $1,521,428, $1,426,947 and $1,394,637, respectively, plus estimated implicit rate subsidy of $420,352, $394,248 and $326,779, respectively.

Changes in assumptions NCPA funds, at minimum, the Actuarially Determined Contribution to the OPEB fund. During measurement period ending June 30, 2017, discount rate decreased from 7.00% to 6.75%.

* Measurement fiscal year 2017 was the first year of implementation, therefore only three years are shown.

Schedule of OPEB Plan Contributions
Last 10 Fiscal Years *

	FY 2020	FY 2019	FY 2018
Actuarially Determined Contribution	$ 1,300,000	$ 1,676,000	$ 1,426,947
Contributions in Relation to the Actuarially Determined Contribution	(3,911,488)	(3,674,502)	(3,454,933)
Contribution Deficiency (Excess)	$ (2,611,488)	$ (1,998,502)	$ (2,027,985)
Covered-Employee Payroll	$ 21,671,910	$ 20,379,247	$ 19,556,203
Contributions as a Percentage of Covered-Employee Payroll[1]	18.05%	18.03%	17.67%

* Fiscal year 2018 was the first year of implementation, therefore only three years are shown.

Valuation Date:
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contributions Rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Amortization period	15 years
Asset valuation method	5 year smoothed market
Discount rate	6.75 percent
Healthcare cost trend rates	7.75% for pre-65 and 6.00% for post-65
Salary increases	3.52 percent
Investment rate of return	6.75 percent
Retirement age	In the 2019 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	Rates based on statistics taken from the latest California PERS (CalPERS) Pension Valuation Report. The mortality rates include an assumed improvement in future mortality based on Scale BB projected to 2028.

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2020									
	GENERATING & TRANSMISSION RESOURCES									
ASSETS	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT ASSETS										
Cash and cash equivalents										
Restricted	$ 3,615	$ 16,579	$ 254	$ -	$ 6,655	$ -	$ -	$ -	$ -	$ 27,103
Unrestricted	1,666	5,661	1	1	9,091	-	11,143	85	57,937	85,585
Investments										
Restricted	3,001	18,798	566	-	3,670	-	-	-	-	26,035
Unrestricted	2,536	5,554	-	-	505	-	2,416	-	12,501	23,512
Accounts receivable										
Participants	-	-	-	-	-	-	105	4	202	311
Other	349	-	-	-	6,549	-	2,363	-	3,951	13,212
Interest receivable	120	119	-	-	21	-	114	-	663	1,037
Inventory and supplies	1,511	1,583	264	352	2,214	-	-	-	-	5,924
Prepaid expenses	387	489	38	55	383	-	-	-	602	1,954
Due from Agency and other programs*	8,409	5,516	4,770	2,005	1,851	-	37,528	6,647	(66,726)	-
TOTAL CURRENT ASSETS	21,594	54,299	5,893	2,413	30,939	-	53,669	6,736	9,130	184,673
NONCURRENT ASSETS										
Investments										
Restricted	-	4,898	-	-	4,782	-	-	-	-	9,680
Unrestricted	20,143	7,860	-	-	2,168	-	16,961	-	91,670	138,802
Electric plant in service	572,624	395,162	64,852	36,901	409,363	7,736	-	894	6,158	1,493,690
Less: accumulated depreciation	(543,209)	(281,109)	(52,777)	(34,874)	(94,878)	(7,736)	-	(587)	(3,699)	(1,018,869)
TOTAL NONCURRENT ASSETS	49,558	126,811	12,075	2,027	321,435	-	16,961	307	94,129	623,303
OTHER ASSETS										
Regulatory assets	2,076	132,350	7,269	-	29,132	-	-	-	55,062	225,889
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	2,076	132,350	7,269	-	29,132	-	-	-	55,327	226,154
TOTAL ASSETS	73,228	313,460	25,237	4,440	381,506	-	70,630	7,043	158,586	1,034,130
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	1,081	19,737	-	-	1,508	-	-	-	-	22,326
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	16,936	16,936
Asset Retirement Obligations	61,651	-	161	-	182	-	-	-	-	61,994
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,732	19,737	161	-	1,690	-	-	-	16,936	101,256
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 135,960	$ 333,197	$ 25,398	$ 4,440	$ 383,196	$ -	$ 70,630	$ 7,043	$ 175,522	$ 1,135,386

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2020									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 735	$ 648	$ 22	$ 37	$ 1,527	$ -	$ 29,741	$ -	$ 17,443	$ 50,153
Member advances	791	-	-	-	-	-	-	202	-	993
Operating reserves	429	250	617	2,910	15,175	-	-	-	-	19,381
Current portion of long-term debt	4,595	20,725	2,575	-	12,515	-	-	-	-	40,410
Accrued interest payable	179	6,083	542	-	1,119	-	-	-	-	7,923
TOTAL CURRENT LIABILITIES	6,729	27,706	3,756	2,947	30,336	-	29,741	202	17,443	118,860
NON-CURRENT LIABILITIES										
Net pension and OPEB liabilities	-	-	-	-	-	-	-	-	63,003	63,003
Operating reserves and other deposits	1,500	17,210	-	-	132	-	30,634	1,783	82,488	133,747
Interest rate swap liability	-	18,968	-	-	-	-	-	-	-	18,968
Asset Retirement Obligations	66,285	-	161	-	183	-	-	-	-	66,629
Long-term debt, net	15,505	258,713	19,882	-	306,536	-	-	-	-	600,636
TOTAL NON-CURRENT LIABILITIES	83,290	294,891	20,043	-	306,851	-	30,634	1,783	145,491	882,983
TOTAL LIABILITIES	90,019	322,597	23,799	2,947	337,187	-	60,375	1,985	162,934	1,001,843
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	37,674	3,625	1,198	2,209	40,347	-	-	308	3,054	88,415
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	4,737	4,737
TOTAL DEFERRED INFLOWS OF RESOURCES	37,674	3,625	1,198	2,209	40,347	-	-	308	7,791	93,152
NET POSITION										
Net investment in capital assets	1,712	(24,355)	(3,598)	-	1,083	-	-	-	-	(25,158)
Restricted for debt service	3,905	24,847	250	-	1,405	-	-	-	-	30,407
Unrestricted	2,650	6,483	3,749	(716)	3,174	-	10,255	4,750	4,797	35,142
TOTAL NET POSITION	8,267	6,975	401	(716)	5,662	-	10,255	4,750	4,797	40,391
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 135,960	$ 333,197	$ 25,398	$ 4,440	$ 383,196	$ -	$ 70,630	$ 7,043	$ 175,522	$ 1,135,386

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

For the Year Ended June 30, 2020

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	$ 15,341	$ 25,277	$ 7,011	$ 4,770	$ 28,807	$ -	$ 303,236	$ 21,568	$ 2,110	$ 408,120
Other Third-party	21,959	20,966	777	998	37,109	-	112,005	2,960	-	196,774
TOTAL OPERATING REVENUES	37,300	46,243	7,788	5,768	65,916		415,241	24,528	2,110	604,894
OPERATING EXPENSES										
Purchased power	544	2,452	69	180	1,453	-	219,354	-	-	224,052
Operations	17,266	4,655	1,471	1,324	31,495	-	3,822	11,714	-	71,747
Transmission	355	431	13	20	1,353	-	182,570	5	-	184,747
Depreciation	3,974	9,412	2,210	204	14,773	-	-	85	300	30,958
Maintenance	15,112	7,515	1,103	2,705	5,688	-	-	80	-	32,203
Administrative and general	4,796	4,308	1,027	1,153	4,781	-	-	7,522	(1,840)	21,747
Intercompany (sales) purchases, net*	(808)	294	75	136	359	-	-	(56)	-	-
TOTAL OPERATING EXPENSES	41,239	29,067	5,968	5,722	59,902	-	405,746	19,350	(1,540)	565,454
NET OPERATING REVENUES	(3,939)	17,176	1,820	46	6,014	-	9,495	5,178	3,650	39,440
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(620)	(22,760)	(1,744)	-	(14,261)	-	-	-	-	(39,385)
Interest income	1,074	1,179	77	31	1,044	-	1,865	88	3,310	8,668
Other	(27)	465	1,476	-	1,848	-	-	(687)	313	3,388
TOTAL NON OPERATING (EXPENSES) REVENUES	427	(21,116)	(191)	31	(11,369)	-	1,865	(599)	3,623	(27,329)
FUTURE RECOVERABLE AMOUNTS	2,424	(414)	(1,613)	-	4,455	-	-	-	(2,651)	2,201
REFUNDS TO PARTICIPANTS	(598)	(2,353)	(38)	960	(941)	-	(2,263)	(4,642)	(2,422)	(12,297)
INCREASE (DECREASE) IN NET POSITION	(1,686)	(6,707)	(22)	1,037	(1,841)	-	9,097	(63)	2,200	2,015
NET POSITION, Beginning of year	9,953	13,682	423	(1,753)	7,503	-	1,158	4,813	2,597	38,376
NET POSITION, End of year	$ 8,267	$ 6,975	$ 401	$ (716)	$ 5,662	$ -	$ 10,255	$ 4,750	$ 4,797	$ 40,391

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENTS OF CASH FLOW

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

	For the Year Ended June 30, 2020									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Received from participants	$ 16,978	$ 25,282	$ 7,345	$ 4,925	$ 30,445	$ -	$ 303,131	$ 21,191	$ 2,032	$ 411,329
Received from others	17,016	23,205	777	998	37,109	-	112,593	2,960	3,757	198,415
Payments for employee services	(13,594)	(6,282)	(1,008)	(1,594)	(7,341)	-	-	(12,867)	-	(42,686)
Payments to suppliers for goods and services	(21,127)	(13,617)	(2,576)	(4,033)	(35,732)	-	(404,224)	(8,735)	11,099	(478,945)
Payments from(to) other programs *	808	(294)	(75)	(136)	(359)	-	-	56	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	81	28,294	4,463	160	24,122	-	11,500	2,605	16,888	88,113
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	22,119	34,531	4,686	-	36,867	-	11,327	-	46,875	156,405
Interest received on cash and investments	742	736	82	31	769	-	1,650	91	1,545	5,646
Purchase of investments	(21,654)	(46,163)	(564)	-	(26,144)	-	(4,748)	-	(57,462)	(156,735)
NET CASH FLOWS FROM INVESTING ACTIVITIES	1,207	(10,896)	4,204	31	11,492	-	8,229	91	(9,042)	5,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(1,255)	(82)	7	(349)	(44,343)	-	-	(55)	(164)	(46,241)
Insurance proceeds on asset disposals	-	-	-	-	36,400	-	-	-	-	36,400
Interest paid on long-term debt	(451)	(11,217)	(1,773)	-	(13,995)	-	-	-	-	(27,436)
Principal repayment on long-term debt	(4,420)	(12,685)	(4,195)	-	(12,040)	-	-	-	-	(33,340)
Proceeds from bond issues	-	-	22,738	-	-	-	-	-	-	22,738
Payments to refund debt	-	-	(25,450)	-	-	-	-	-	-	(25,450)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(6,126)	(23,984)	(8,673)	(349)	(33,978)	-	-	(55)	(164)	(73,329)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Other proceeds	(27)	465	1,476	-	1,848	-	-	(252)	313	3,823
Refunds to participants	(598)	(2,353)	(38)	960	(941)	-	(2,263)	(4,642)	(2,422)	(12,297)
Payments from(to) other programs *	3,101	10,206	(2,666)	(802)	9,886	-	(10,052)	1,705	(11,378)	-
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	2,476	8,318	(1,228)	158	10,793	-	(12,315)	(3,189)	(13,487)	(8,474)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,362)	1,732	(1,234)	-	12,429	-	7,414	(548)	(5,805)	11,626
Beginning of year	7,643	20,508	1,489	1	3,317	-	3,729	633	63,742	101,062
End of year	$ 5,281	$ 22,240	$ 255	$ 1	$ 15,746	$ -	$ 11,143	$ 85	$ 57,937	$ 112,688

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF CASH FLOW - Continued

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

For the Year Ended June 30, 2020

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ (3,939)	$ 17,176	$ 1,820	$ 46	$ 6,014	$ -	$ 9,495	$ 5,178	$ 3,650	$ 39,440
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,976	9,412	2,210	204	14,773	-	-	85	298	30,958
	37	26,588	4,030	250	20,787	-	9,495	5,263	3,948	70,398
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	(74)	-	-	-	-	-	(567)	39	(3,507)	(4,109)
Inventory and prepaid expense	2,931	(106)	(26)	(3)	(93)	-	-	40	(51)	2,692
Operating reserves and other deposits	(4,871)	2,239	104	241	883	-	1,050	(2,321)	7,257	4,582
Member advances	-	-	-	-	-	-	-	(387)	-	(387)
Regulatory credits	1,637	5	334	155	1,638	-	-	(29)	(69)	3,671
Accounts payable and other liabilities	421	(432)	21	(483)	907	-	1,522	-	9,310	11,266
NET CASH FROM OPERATING ACTIVITIES	$ 81	$ 28,294	$ 4,463	$ 160	$ 24,122	$ -	$ 11,500	$ 2,605	$ 16,888	$ 88,113
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - restricted	$ 3,615	$ 16,579	$ 254	$ -	$ 6,655	$ -	$ -	$ -	$ -	$ 27,103
Cash and cash equivalents - unrestricted	1,666	5,661	1	1	9,091	-	11,143	85	57,937	85,585
End of year	$ 5,281	$ 22,240	$ 255	$ 1	$ 15,746	$ -	$ 11,143	$ 85	$ 57,937	$ 112,688

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
ASSETS	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT ASSETS										
Cash and cash equivalents										
Restricted	$ 3,725	$ 13,875	$ 1,488	$ -	$ 2,916	$ -	$ -	$ -	$ -	$ 22,004
Unrestricted	3,917	6,632	1	1	403	-	3,729	633	63,742	79,058
Investments										
Restricted	4,786	9,982	3,125	-	3,197	-	-	-	-	21,090
Unrestricted	-	-	-	-	3,599	-	-	-	3,002	6,601
Accounts receivable										
Participants	-	-	-	-	-	-	-	43	193	236
Other	275	-	-	-	-	-	1,901	-	453	2,629
Interest receivable	142	181	16	-	87	-	153	3	778	1,360
Inventory and supplies	4,509	1,574	246	359	2,203	-	-	-	-	8,891
Prepaid expenses	320	392	30	45	301	-	-	40	551	1,679
Due from Agency and other programs*	11,510	15,722	2,104	1,203	11,737	-	27,476	8,352	(78,104)	-
TOTAL CURRENT ASSETS	29,184	48,358	7,010	1,608	24,443	-	33,259	9,071	(9,385)	143,548
NONCURRENT ASSETS										
Investments										
Restricted	1,506	5,013	1,535	-	8,614	-	-	-	-	16,668
Unrestricted	17,920	9,979	-	-	6,086	-	25,702	-	92,772	152,459
Electric plant in service	571,460	395,080	64,852	36,552	423,853	7,736	-	839	5,994	1,506,366
Less: accumulated depreciation	(539,326)	(271,697)	(50,567)	(34,670)	(96,170)	(7,736)	-	(502)	(3,401)	(1,004,069)
Construction work-in-progress	-	-	-	-	182	-	-	-	-	182
TOTAL NONCURRENT ASSETS	51,560	138,375	15,820	1,882	342,565	-	25,702	337	95,365	671,606
OTHER ASSETS										
Regulatory assets	(348)	132,764	8,889	-	24,684	-	-	-	57,714	223,703
Preliminary survey and investigation costs	-	-	-	-	-	-	-	435	-	435
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	(348)	132,764	8,889	-	24,684	-	-	435	57,979	224,403
TOTAL ASSETS	80,396	319,497	31,719	3,490	391,692	-	58,961	9,843	143,959	1,039,557
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	1,335	29,332	782	-	1,822	-	-	-	-	33,271
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	17,055	17,055
Asset Retirement Obligations	61,766	-	157	-	178	-	-	-	-	62,101
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,101	29,332	939	-	2,000	-	-	-	17,055	112,427
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 143,497	$ 348,829	$ 32,658	$ 3,490	$ 393,692	$ -	$ 58,961	$ 9,843	$ 161,014	$ 1,151,984

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 314	$ 1,080	$ 1	$ 520	$ 620	$ -	$ 28,219	$ -	$ 8,133	$ 38,887
Member advances	791	-	-	-	-	-	-	589	-	1,380
Operating reserves	5,298	250	513	2,669	13,265	-	-	-	-	21,995
Current portion of long-term debt	4,420	12,685	4,195	-	12,040	-	-	-	-	33,340
Accrued interest payable	264	5,675	635	-	1,168	-	-	-	-	7,742
TOTAL CURRENT LIABILITIES	11,087	19,690	5,344	3,189	27,093	-	28,219	589	8,133	103,344
NON-CURRENT LIABILITIES										
Net pension and OPEB liabilities	-	-	-	-	-	-	-	-	66,126	66,126
Operating reserves and other deposits	1,500	14,971	-	-	1,159	-	29,584	4,104	75,233	126,551
Interest rate swap liability	-	14,613	-	-	-	-	-	-	-	14,613
Asset Retirement Obligations	64,820	-	157	-	178	-	-	-	-	65,155
Long-term debt, net	20,100	282,253	25,870	-	319,050	-	-	-	-	647,273
TOTAL NON-CURRENT LIABILITIES	86,420	311,837	26,027	-	320,387	-	29,584	4,104	141,359	919,718
TOTAL LIABILITIES	97,507	331,527	31,371	3,189	347,480	-	57,803	4,693	149,492	1,023,062
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	36,037	3,620	864	2,054	38,709	-	-	337	3,123	84,744
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	5,802	5,802
TOTAL DEFERRED INFLOWS OF RESOURCES	36,037	3,620	864	2,054	38,709	-	-	337	8,925	90,546
NET POSITION										
Net investment in capital assets	590	(16,454)	(5,092)	-	(512)	-	-	-	-	(21,468)
Restricted for debt service	3,724	14,105	3,924	-	1,230	-	-	-	-	22,983
Unrestricted	5,639	16,031	1,591	(1,753)	6,785	-	1,158	4,813	2,597	36,861
TOTAL NET POSITION	9,953	13,682	423	(1,753)	7,503	-	1,158	4,813	2,597	38,376
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 143,497	$ 348,829	$ 32,658	$ 3,490	$ 393,692	$ -	$ 58,961	$ 9,843	$ 161,014	$ 1,151,984

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

For the Year Ended June 30, 2019

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	$ 446	$ 13,675	$ 4,949	$ 7,304	$ 18,448	$ -	$ 303,346	$ 20,705	$ 1,012	$ 369,885
Other Third-party	36,274	45,105	2,137	2,016	78,574	-	162,460	2,711	4	329,281
TOTAL OPERATING REVENUES	36,720	58,780	7,086	9,320	97,022		465,806	23,416	1,016	699,166
OPERATING EXPENSES										
Purchased power	693	3,701	175	381	4,620	-	288,938	-	-	298,508
Operations	18,072	4,491	2,193	2,139	56,659	-	4,276	12,160	-	99,990
Transmission	269	454	50	209	757	-	178,889	5	-	180,633
Depreciation	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844
Maintenance	9,265	4,242	660	7,520	5,025	-	-	124	-	26,836
Administrative and general	4,176	5,020	626	809	4,974	-	-	7,425	(3,726)	19,304
Intercompany (sales) purchases, net*	(702)	277	73	101	313	-	-	(62)	-	-
TOTAL OPERATING EXPENSES	35,687	27,656	5,981	11,351	86,965	-	472,103	19,756	(3,384)	656,115
NET OPERATING REVENUES	1,033	31,124	1,105	(2,031)	10,057	-	(6,297)	3,660	4,400	43,051
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(787)	(22,289)	(1,487)	-	(14,728)	-	-	-	-	(39,291)
Interest income	1,325	1,640	166	1	1,303	-	1,813	100	4,099	10,447
Other	5	5	2,473	1	5,176	-	64	44	302	8,070
TOTAL NON OPERATING (EXPENSES) REVENUES	543	(20,644)	1,152	2	(8,249)	-	1,877	144	4,401	(20,774)
FUTURE RECOVERABLE AMOUNTS	(565)	(1,977)	(2,083)	-	911	-	-	-	(4,077)	(7,791)
REFUNDS TO PARTICIPANTS	(2,981)	(2,208)	(160)	902	1,540	-	(2,518)	(5,789)	(2,964)	(14,178)
INCREASE (DECREASE) IN NET POSITION	(1,970)	6,295	14	(1,127)	4,259	-	(6,938)	(1,985)	1,760	308
NET POSITION, Beginning of year	11,923	7,387	409	(626)	3,244	-	8,096	6,798	837	38,068
NET POSITION, End of year	$ 9,953	$ 13,682	$ 423	$ (1,753)	$ 7,503	$ -	$ 1,158	$ 4,813	$ 2,597	$ 38,376

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENTS OF CASH FLOW

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

	For the Year Ended June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Received from participants	$ 930	$ 13,139	$ 4,872	$ 7,154	$ 16,263	$ -	$ 303,346	$ 21,767	$ 636	$ 368,107
Received from others	35,084	42,988	2,137	2,016	78,574	-	164,132	2,711	4,596	332,238
Payments for employee services	(13,711)	(5,931)	(982)	(1,822)	(6,983)	-	-	(12,419)	-	(41,848)
Payments to suppliers for goods and services	(18,656)	(12,146)	(2,355)	(5,711)	(66,842)	-	(454,203)	(11,659)	2,954	(568,618)
Payments from(to) other programs *	702	(277)	(73)	(101)	(313)	-	-	62	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,349	37,773	3,599	1,536	20,699	-	13,275	462	8,186	89,879
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	14,191	42,455	4,952	-	22,706	-	9,014	-	18,450	111,768
Interest received on cash and investments	816	634	68	1	735	-	1,173	97	1,404	4,928
Purchase of investments	(15,813)	(34,183)	(4,496)	-	(22,500)	-	(14,787)	-	(24,459)	(116,238)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(806)	8,906	524	1	941	-	(4,600)	97	(4,605)	458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(1,492)	(259)	(372)	(35)	(47)	-	-	(100)	(43)	(2,348)
Interest paid on long-term debt	(619)	(14,428)	(1,614)	-	(14,573)	-	-	-	-	(31,234)
Principal repayment on long-term debt	(4,250)	(22,610)	(3,995)	-	(11,480)	-	-	-	-	(42,335)
Proceeds from bond issues	-	43,158	-	-	-	-	-	-	-	43,158
Payments to refund debt	-	(53,987)	-	-	-	-	-	-	-	(53,987)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(6,361)	(48,126)	(5,981)	(35)	(26,100)	-	-	(100)	(43)	(86,746)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Other proceeds	5	5	2,473	1	5,176	-	64	(373)	302	7,653
Refunds to participants	(2,981)	(2,208)	(160)	902	1,540	-	(2,518)	(5,789)	(2,964)	(14,178)
Payments from(to) other programs *	4,936	(5,018)	106	(2,405)	(3,064)	-	(10,230)	6,265	9,410	-
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	1,960	(7,221)	2,419	(1,502)	3,652	-	(12,684)	103	6,748	(6,525)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(858)	(8,668)	561	-	(808)	-	(4,009)	562	10,286	(2,934)
Beginning of year	8,500	29,175	928	1	4,127	-	7,738	71	53,456	103,996
End of year	$ 7,642	$ 20,507	$ 1,489	$ 1	$ 3,319	$ -	$ 3,729	$ 633	$ 63,742	$ 101,062

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF CASH FLOW - Continued

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

For the Year Ended June 30, 2019

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ 1,033	$ 31,124	$ 1,105	$ (2,031)	$ 10,057	$ -	$ (6,297)	$ 3,660	$ 4,400	$ 43,051
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844
	4,947	40,595	3,309	(1,839)	24,674	-	(6,297)	3,764	4,742	73,895
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	(275)	-	-	-	59	-	(732)	691	139	(118)
Inventory and prepaid expense	(30)	(536)	392	1,039	(107)	-	-	(29)	19	748
Operating reserves and other deposits	(915)	(2,117)	(1)	1,966	(941)	-	2,404	(3,834)	4,417	979
Member advances	-	-	-	-	-	-	-	312	-	312
Regulatory credits	484	(536)	(77)	(150)	(2,244)	-	-	59	(340)	(2,804)
Accounts payable and other liabilities	138	367	(24)	520	(742)	-	17,900	(501)	(791)	16,867
NET CASH FROM OPERATING ACTIVITIES	$ 4,349	$ 37,773	$ 3,599	$ 1,536	$ 20,699	$ -	$ 13,275	$ 462	$ 8,186	$ 89,879
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - restricted	$ 3,725	$ 13,875	$ 1,488	$ -	$ 2,916	$ -	$ -	$ -	$ -	$ 22,004
Cash and cash equivalents - unrestricted	3,917	6,632	1	1	403	-	3,729	633	63,742	79,058
End of year	$ 7,642	$ 20,507	$ 1,489	$ 1	$ 3,319	$ -	$ 3,729	$ 633	$ 63,742	$ 101,062

OTHER INFORMATION
GENERATION ENTITLEMENT SHARES - UNAUDITED

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Table of Generation Entitlement Shares					LEC Debt Shares	
	Geothermal Project No. 3	Hydroelectric Project No. One	Capital Facilities Project	Combustion Turbine No. One	Lodi Energy Center (LEC)	LEC Indenture Group A	LEC Indenture Group B
NCPA Member Participants:							
Alameda	16.8825%	10.0000%	19.0000%	21.8200%			
BART					6.6000%	11.8310%	
Biggs	0.2270%			0.1970%	0.2679%	0.4802%	
Gridley	0.3360%			0.3500%	1.9643%	3.5212%	
Healdsburg	3.6740%	1.6600%		5.8330%	1.6428%	2.9448%	
Lodi	10.2800%	10.3700%	39.5000%	13.3930%	9.5000%	17.0295%	
Lompoc	3.6810%	2.3000%	5.0000%	5.8330%	2.0357%	3.6491%	
Palo Alto		22.9200%					
Plumas-Sierra REC	0.7010%	1.6900%		1.8170%	0.7857%	1.4084%	
Roseville	7.8830%	12.0000%	36.5000%				
Santa Clara	44.3905%	37.0200%		41.6670%	25.7500%	46.1588%	
Ukiah	5.6145%	2.0400%		9.0900%	1.7857%	3.2010%	
Other Participants:							
Azuza					2.7857%	4.9936%	
California Dept. of Water Resources					33.5000%		100.0000%
Modesto Irrigation District					10.7143%		
Power & Water Resources Pooling Agency					2.6679%	4.7824%	
Turlock Irrigation District	6.3305%						
	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.000%	100.000%
	Note A	Note A, B		Note A	Note B		

Note A: Project Entitlement shares are after transfers among participants.
Note B: Project Generation Shares may vary from project cost shares due to varied financing and fuel supply arrangements.