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, 2024 and 2023

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Combined Financial Statements

Table of Contents

As of and For the Years Ended June 30, 2024 and 2023

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, 2024 and 2023. This discussion should be read in conjunction with the Agency's combined financial statements and accompanying notes, which follow this section.

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of the Northern California Power Agency and Associated Power Corporations (Agency), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the 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 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 basic financial statements, and other knowledge we obtained during our audit of the 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 audit was conducted for the purpose of forming an opinion on the 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 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements or to the 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 supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the accompanying combining statement of net position, combining statement of revenues, expenses and changes in net position and combining statement of cash flow (additional information), which is presented for purposes of additional analysis and is not a required part of the basic financial statements. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Madison, Wisconsin
October 9, 2024

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

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, 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.

The Agency continues to follow California's COVID-19 regulations to ensure a safe workplace environment for employees, contractors, and guests. This includes maintaining a clean workspace, appropriate physical distancing, and wearing facial coverings as required. The Agency continues to monitor the situation and make adjustments, as needed, to comply with the California Occupational Safety and Health Administration.

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 2023, GASB Statement of Government Accounting Standards No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, established standards for recognizing a right-to-use subscription asset and a corresponding subscription liability and provides the capitalization criteria for outlays other than subscription payments. This Statement requires that the measurement of SBITA assets and liabilities be based on the value of the subscription payments over the life of the contract.

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 include 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 statements of net position provide 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.

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

FINANCIAL HIGHLIGHTS

The following is a summary of the Agency's combined financial position and results of operations for the years ended June 30, 2024, 2023, and 2022.

Condensed Statement of Net Position	June 30, (in thousands) 2024	2023	2022
Assets and Deferred Outflows of Resources			
Current assets	$ 204,308	$ 182,150	$ 177,909
Non-current assets	161,010	160,869	140,337
Electric plant, net	451,060	485,517	518,691
Other assets	141,946	168,018	197,060
Total Assets	958,324	996,554	1,033,997
Deferred outflows of resources	91,958	88,636	77,321
	$ 1,050,282	$ 1,085,190	$ 1,111,318
Liabilities, Deferred Inflows of Resources and Net Position			
Long-term debt, net	$ 399,611	$ 451,718	$ 503,352
Current liabilities	138,342	138,199	137,039
Non-current liabilities	376,174	372,795	340,297
Total Liabilities	914,127	962,712	980,688
Deferred inflows of resources	99,043	96,123	113,933
Net position:			
Net investment in capital assets	(66,085)	(88,404)	(100,776)
Restricted	34,551	40,888	43,562
Unrestricted	68,646	73,871	73,911
	$ 1,050,282	$ 1,085,190	$ 1,111,318

Condensed Statements of Revenues, Expenses and Changes in Net Position	Years ended June 30, (in thousands) 2024	2023	2022
Operating revenues	$ 754,909	$ 1,124,914	$ 879,672
Operating expenses	(710,942)	(1,076,373)	(842,096)
Net operating revenues	43,967	48,541	37,576
Other revenues (expenses)	10,642	82,831	(35,049)
Future refundable costs	(24,200)	(27,900)	(12,122)
Refunds to participants	(19,652)	(93,814)	(1,336)
Change in net position	10,757	9,658	(10,931)
Net position, beginning of year	26,355	16,697	27,628
Net position, end of year	$ 37,112	$ 26,355	$ 16,697

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

2024 Compared to 2023 - Current assets increased $22.2 million or 12.1% from the prior year, primarily due to an increase in cash and cash equivalents resulting from higher interest income and increased reserve payments by members, offset by decrease in prepaids.

2023 Compared to 2022 - Current assets increased $4.2 million or 2.4% from the prior year, primarily due to an increase in cash and cash equivalents resulting from the increasing payments by members for purchased power, offset by a decrease in receivables from participants for energy and transmission due to lower generation at plants in May and June compared to the prior year.

Non-current Assets

2024 Compared to 2023 - Non-current assets, consisting mainly of long-term investments, increased $0.1 million or 0.1% from the prior year. This is primarily due to budgeted changes to reserve and debt service accounts.

2023 Compared to 2022 - Non-current assets, consisting mainly of long-term investments, increased $20.5 million or 14.6% from the prior year. This is primarily due to budgeted increases to reserve and debt service accounts.

Electric Plant, net

2024 Compared to 2023 - The Agency has invested approximately $451.1 million in capital plant assets, net of accumulated depreciation and amortization, at June 30, 2024. Net capital plant assets include $368.4 million in net utility plant, $82.6 million in net leased assets, and $0.1 million in net SBITA assets. Net capital plant comprises approximately 43.0% of the Agency's assets and deferred outflows. The $34.5 million or 7.1% decrease from the prior year consists of an increase in accumulated depreciation and amortization of $37.2 million, offset by the addition of $2.7 million in capital plant expenditures. For additional detail, refer to Note B - Significant Accounting Policies.

2023 Compared to 2022 - The Agency has invested approximately $485.5 million in capital plant assets, net of accumulated depreciation and amortization, at June 30, 2023. Net capital plant assets include $396.3 million in net utility plant, $89.0 million in net leased assets, and $0.2 million in net SBITA assets. Net capital plant comprises approximately 44.97% of the Agency's assets and deferred outflows. The $34.7 million or 6.7% decrease from the prior year consists of an increase in accumulated depreciation and amortization of $36.7 million, offset by the addition of SBITA assets totaling $0.3 million and the increase of $1.6 million in capital plant expenditures. For additional detail, refer to Note B - Significant Accounting Policies.

Deferred Outflows

2024 Compared to 2023 - Total deferred outflows of resources increased $3.3 million or 3.7% due to the increase of deferred pension and OPEB related outflows of $4.1 million, offset by the scheduled amortization and write-off of excess of cost on refunding of debt totaling decrease of $0.6 million and the decrease of deferred ARO of $0.2 million.

2023 Compared to 2022 - Total deferred outflows of resources increased $11.3 million or 14.6% due to the increase of deferred pension and OPEB related outflows of $11.2 million, offset by the scheduled amortization and write-off of excess of cost on refunding of debt totaling decrease of $0.6 million and the increase of deferred ARO of $0.7 million.

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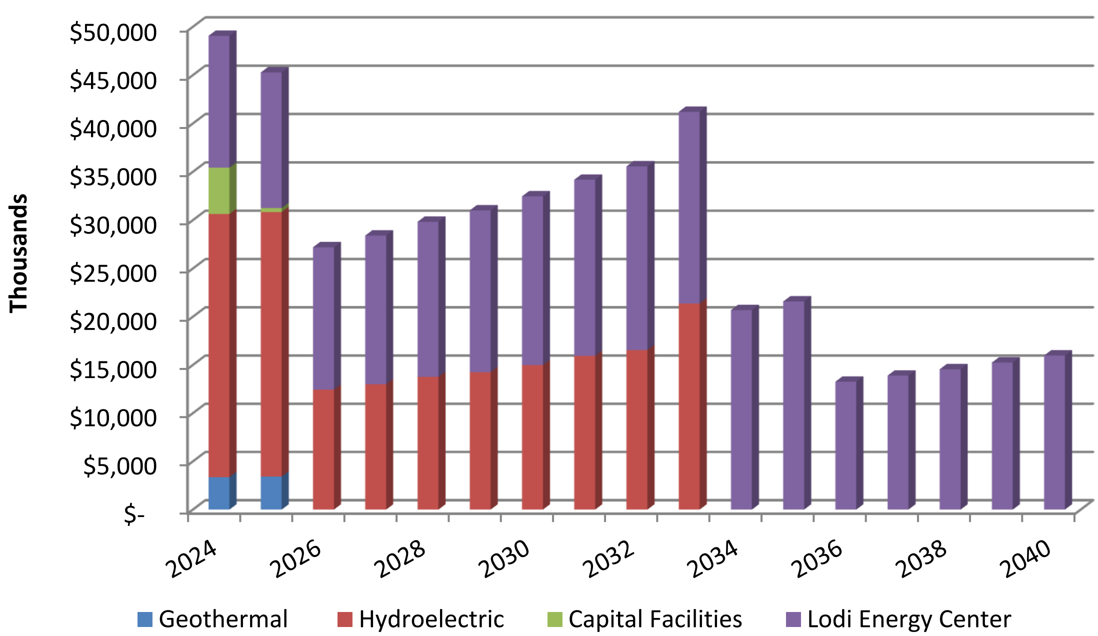
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Long-Term Debt, net

2024 Compared to 2023 - Long-term debt, net decreased $52.1 million or 11.5% in 2024 as a result of scheduled principal payments of $49.0 million, net premium amortization of $2.3 million, and the net transfer of the current portion of long-term debt of $0.8 million. For additional detail, refer to Note G - Projects and Related Financing.

2023 Compared to 2022 - Long-term debt, net decreased $51.6 million or 10.3% in 2023 as a result of scheduled principal payments of $44.3 million, net premium amortization of $2.8 million, and the net transfer of the current portion of long-term debt of $4.5 million. For additional detail, refer to Note G - Projects and Related Financing.

The following table shows the Agency's scheduled annual debt service principal payments through FY 2040 as of June 30, 2024:



Current Liabilities

2024 Compared to 2023 - Current liabilities increased by $0.1 million or 0.1% in 2024. This is primarily due to increases in operating reserves of $5.9 million and increases in the current portion of long-term debt of $0.1 million, offset by a decrease in accounts payable of $5.9 million.

2023 Compared to 2022 - Current liabilities increased by $1.2 million or 0.8% in 2023. This is primarily due to increases in operating reserves of $4.7 million, increases in the current portion of long-term debt of $4.6 million, and increases in the accrued interest payable of $0.9 million. The current liabilities also include increases in lease liabilities of $0.1 million and the addition of SBITA liabilities of $0.1 million. Increases to current liabilities are offset by a decrease in accounts payable of $9.2 million.

Other Non-Current Liabilities

2024 Compared to 2023 - Non-current liabilities increased by a net amount of $3.4 million or 1.0% in 2024. This was primarily due to increased operating reserves of $7.0 million, increased net pension obligations of $1.4 million, and increased asset retirement obligations of $1.6 million, offset by decreases in lease and SBITA liabilities of $6.6 million.

2023 Compared to 2022 - Non-current liabilities increased by a net amount of $31.6 million or 9.3% in 2023. This was primarily due to increased operating reserves of $17.0 million, increased net pension obligations of $19.4 million, increased asset retirement obligations of $1.6 million and the implementation of a new accounting standard resulting in the recognition of $0.1 million related to subscription-based information technology contracts, offset by a decrease in lease liabilities of $6.4 million.

Deferred Inflows

2024 Compared to 2023 - Total deferred inflows of resources increased $2.9 million or 3.0% due to deferral of certain revenues related to the amortization of construction advances and operating fixed assets totaling $8.1 million, offset by gains related to the pension and OPEB liabilities of $0.5 million and deferral of refunding gains of $4.7 million.

2023 Compared to 2022 - Total deferred inflows of resources decreased $17.8 million or 15.6% due to deferral of certain gains related to the pension liability and OPEB asset of $17.8 million and deferral of refunding gains of $0.5 million. These deferrals are offset by a decrease in deferrals of certain revenues related to the amortization of construction advances and operating fixed assets totaling $0.5 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 F to the Combined Financial Statements.

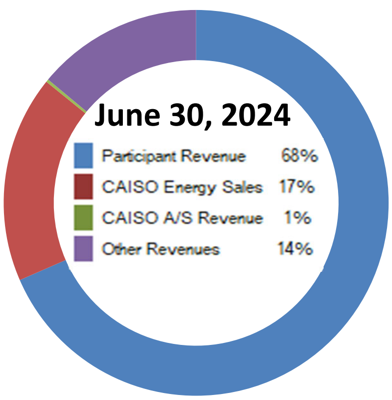
Operating Revenues

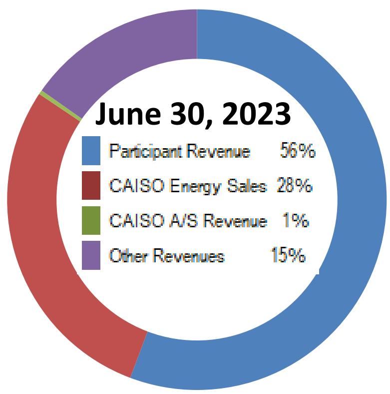
Operating revenues consist of Participants Revenue, California Independent System Operator (CAISO) Energy Sales and Ancillary Services (A/S) Revenues and Other Revenues.

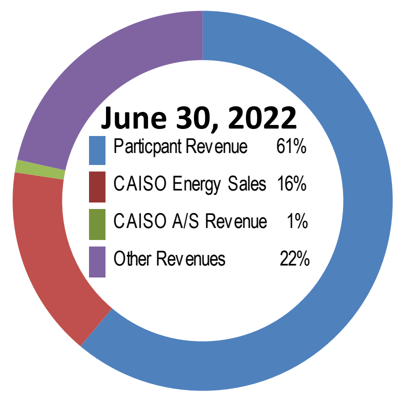
2024 Compared to 2023 - Operating revenues for fiscal year 2024 were approximately $370.0 million or 32.9% lower than in the prior fiscal year. This was the net result of decreased revenue from members of $110.0 million for lower load and slightly lower transmission costs compared to the prior year and decreased non-member revenue of $260.0 million primarily due to lower plants' generation resulting in lower sales revenue and decreased non-member share of energy contracts and transmission costs.

2023 Compared to 2022 - Operating revenues for fiscal year 2023 were approximately $245.2 million or 27.9% more than in the prior fiscal year. This was the net result of increased revenue from members of $89.0 million for the sale of energy, and the increase to non-member revenue of $156.2 million for their share of energy contracts and transmission costs.

OPERATING REVENUES BY SOURCES







Operating Expenses

2024 Compared to 2023 - Operating expenses were $710.9 million in FY 2024, a decrease of $365.4 million from FY 2023. Purchased power expense was $259.4 million lower in FY 2024 primarily due to decreased customer costs for energy purchased. Operations expense decreased $81.0 million primarily due to decreased fuel costs for the natural gas combustion turbine plants. Administrative and General expenses were $2.9 million higher in FY 2024 primarily due to increased pension and OPEB costs. Maintenance expenses were $13.5 million higher in FY 2024 primarily due to major maintenance projects at the plants resulting in higher maintenance costs.

2023 Compared to 2022 - Operating expenses were $1.1 billion in FY 2023, an increase of $234.3 million from FY 2022. Purchased power expense was $155.4 million higher in FY 2023 primarily due to increased costs for energy purchased. Operations expense increased $65.3 million primarily due to increased fuel costs for the natural gas combustion turbine plants. Administrative and General expenses were $8.2 million higher in FY2023 primarily due to costs associated with the purchase of a Disaster Recovery Center. Maintenance expenses were $5.0 million higher in FY 2023 primarily due to increased maintenance projects at the plants resulting in higher maintenance costs.

NORTHERN CALIFORNIA POWER AGENCY
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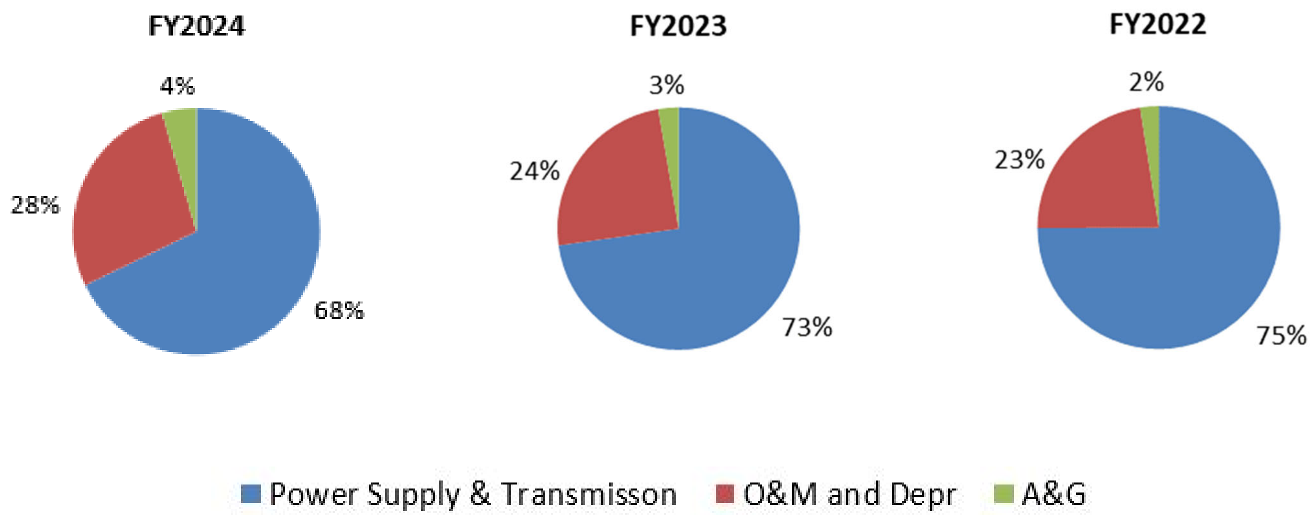
The following charts compare the components of Operating Expenses in fiscal years ended June 30, 2024, 2023, and 2022:



FINANCING ACTIVITIES

The Agency on a periodic basis has informal discussions and formal presentations with each of the credit rating agencies in order to maintain ongoing communications. In February 2024, Fitch affirmed its long-term rating of A on the Lodi Energy Center Revenue bonds, Issue One 2010 Series B. In March 2024, Fitch issued a Credit Opinion on the Hydroelectric bonds noting a stable outlook of the credit quality (AA-) for the next twelve months.

Ratings assigned to the Agency's outstanding project bonds as of June 30, 2024 are as follows:

Debt Credit Ratings:	Standard & Poor's	Fitch	Moody's
Geothermal	A-, stable	A+, stable	A1, stable
Hydroelectric	AA-, 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 16.67% 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,	
	2024	2023
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Restricted	$ 37,962	$ 25,279
Unrestricted	112,624	98,219
Investments		
Restricted	15,126	31,282
Unrestricted	23,186	12,039
Accounts receivable		
Participants	12	52
Other	4,377	4,272
Interest receivable	1,077	865
Inventory and supplies	6,541	6,494
Prepaid expenses	3,403	3,648
TOTAL CURRENT ASSETS	204,308	182,150
NON-CURRENT ASSETS		
Investments		
Restricted	7,994	10,721
Unrestricted	153,016	150,148
Electric plant in service, including lease assets	1,605,199	1,602,650
Less: accumulated depreciation and amortization	(1,155,847)	(1,118,690)
Construction work-in-progress	1,708	1,557
TOTAL NON-CURRENT ASSETS	612,070	646,386
OTHER ASSETS		
Regulatory assets	141,681	162,952
Net OPEB assets - Restricted	-	4,801
Investment in associated company	265	265
TOTAL OTHER ASSETS	141,946	168,018
TOTAL ASSETS	958,324	996,554
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	197	813
Pension and OPEB deferrals	29,466	25,345
Asset retirement obligations	62,295	62,478
TOTAL DEFERRED OUTFLOWS OF RESOURCES	91,958	88,636
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,050,282	$ 1,085,190

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	June 30, 2024	June 30, 2023
LIABILITIES	(in thousands)	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 46,144	$ 52,069
Member advances	1,293	993
Operating reserves	29,833	24,236
Current portion of lease liability	6,551	6,424
Current portion of SBITA liability	66	65
Current portion of long-term debt	49,690	48,880
Accrued interest payable, restricted	4,765	5,532
TOTAL CURRENT LIABILITIES	138,342	138,199
NON-CURRENT LIABILITIES		
Net pension and OPEB liabilities	62,715	61,357
Operating reserves and other deposits	163,599	156,574
Asset retirement obligations	73,728	72,116
Long-term lease liability	76,065	82,615
Long-term SBITA liability	67	133
Long-term debt, net	399,611	451,718
TOTAL NON-CURRENT LIABILITIES	775,785	824,513
TOTAL LIABILITIES	914,127	962,712
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	97,375	89,316
OPEB deferrals	1,668	2,112
Deferred gain on debt refunding	-	4,695
TOTAL DEFERRED INFLOWS OF RESOURCES	99,043	96,123
NET POSITION		
Net investment in capital assets	(66,085)	(88,404)
Restricted -		
Debt service	34,551	36,087
Other Postemployment Benefits	-	4,801
Unrestricted	68,646	73,871
TOTAL NET POSITION	37,112	26,355
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,050,282	$ 1,085,190

See notes to combined financial statements

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30, 2024	2023
	(in thousands)	
OPERATING REVENUES		
Participants	$ 516,698	$ 626,753
Other Third-Party	238,211	498,161
TOTAL OPERATING REVENUES	754,909	1,124,914
OPERATING EXPENSES		
Purchased power	312,423	571,804
Operations	113,024	194,006
Transmission	169,853	211,731
Depreciation and amortization	37,156	36,826
Maintenance	46,482	32,937
Administrative and general	32,004	29,069
TOTAL OPERATING EXPENSES	710,942	1,076,373
NET OPERATING REVENUES	43,967	48,541
NON-OPERATING (EXPENSES) REVENUES		
Interest expense	(20,347)	(22,128)
Interest income (loss)	16,868	6,111
Other	14,121	98,848
TOTAL NON-OPERATING EXPENSES	10,642	82,831
FUTURE RECOVERABLE AMOUNTS	(24,200)	(27,900)
REFUNDS TO PARTICIPANTS	(19,652)	(93,814)
(DECREASE) INCREASE IN NET POSITION	10,757	9,658
NET POSITION, Beginning of year	26,355	16,697
NET POSITION, End of year	$ 37,112	$ 26,355

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30, 2024	2023
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from participants	$ 518,805	$ 651,649
Received from others	246,568	519,751
Payments for employee services	(47,405)	(44,712)
Payments to suppliers for goods and services	(626,354)	(1,002,274)
NET CASH FLOWS FROM OPERATING ACTIVITIES	91,614	124,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities and sales of investments	104,155	65,016
Interest received on cash and investments	10,274	4,768
Purchase of investments	(91,129)	(101,358)
NET CASH FLOWS FROM INVESTING ACTIVITIES	23,300	(31,574)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of electric plant	(2,700)	(3,709)
Interest paid on lease liability	(1,713)	(1,713)
Interest paid on long-term debt	(20,613)	(21,032)
Payments on lease liability	(6,423)	(6,304)
Principal repayment on long-term debt	(48,880)	(44,106)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(80,329)	(76,864)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from U.S. Bureau of Reclamation judgement	-	81,872
Other proceeds	8,085	13,016
Refunds to participants	(15,582)	(96,238)
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(7,497)	(1,350)
NET CHANGE IN CASH AND CASH EQUIVALENTS	27,088	14,626
CASH AND CASH EQUIVALENTS		
Beginning of year	123,498	108,872
End of year	$ 150,586	$ 123,498

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW-Continued

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,			
	2024		2023	
	(in thousands)			
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	$	43,967	$	48,541
Adjustments to reconcile net operating revenues to net cash from operating activities:				
Depreciation and amortization		37,156		36,826
		81,123		85,367
CASH FLOWS IMPACTED BY CHANGES IN				
Accounts receivable		(70)		27,400
Inventory, prepaid expense, and unused vendor credits		198		(872)
Operating reserves and other deposits		12,622		21,646
Member Advances		300		-
Regulatory credits		3,366		91
Accounts payable and other liabilities		(5,926)		(9,218)
NET CASH FROM OPERATING ACTIVITIES	$	91,614	$	124,414
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION				
Cash and cash equivalents - restricted assets	$	37,962	$	25,279
Cash and cash equivalents - unrestricted assets		112,624		98,219
End of year	$	150,586	$	123,498
NON-CASH TRANSACTIONS:				
Future recoverable/(refundable) costs	$	(24,200)	$	(27,900)
Debt related amortization		1,122		1,449
Gain/(loss) on investments		7,462		(276)

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE A -- ORGANIZATION

<u>The Agency</u> 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 G – 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

<u>Basis of Accounting and Principles of Combination</u> 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.

<u>Cash and Cash Equivalents</u> 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. 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, including Lease and SBITA Assets Electric plant in service is recorded at historical cost. The cost of additions, renewals, and betterments in excess of $25,000 for plant assets and $5,000 for all other assets are capitalized; repairs and minor replacements are charged to operating expenses as incurred. Depreciation and amortization expenses are computed using the straight-line method over the estimated useful lives of the related assets. The provision for depreciation and amortizations was approximately 2.3% of the average electric plant in service for the Agency during both 2024 and 2023. Depreciation and amortization are 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
Lease Assets	Term of the lease
Subscription Based Information Technology Agreement (SBITA)	Term of the contract

A summary of changes in electric plant for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
	(in thousands)			
Structures and Leasehold Improvements	$ 322,313	$ 409	$ -	$ 322,722
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	754,670	2,104	-	756,774
Furniture and Fixtures	4,831	36	-	4,867
Lease Assets	99,230	-	-	99,230
SBITA Assets	323	-	-	323
	1,430,705	2,549	-	1,433,254
Accumulated Depreciation and Amortization	(1,118,690)	(37,157)	-	(1,155,847)
	312,015	(34,608)	-	277,407
Construction Work-In-Progress	1,557	151	-	1,708
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 485,517	$ (34,457)	$ -	$ 451,060

A summary of changes in electric plant for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
	(in thousands)			
Structures and Leasehold Improvements	$ 322,170	$ 143	$ -	$ 322,313
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	753,408	1,469	(207)	754,670
Furniture and Fixtures	4,586	248	(3)	4,831
Lease Assets	99,230	-	-	99,230
SBITA Assets	-	323	-	323
	1,428,732	2,183	(210)	1,430,705
Accumulated Depreciation and Amortization	(1,082,013)	(36,887)	210	(1,118,690)
	346,719	(34,704)	-	312,015
Construction Work-In-Progress	27	1,530	-	1,557
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 518,691	$ (33,174)	$ -	$ 485,517

Construction Work-In-Progress Construction work-in-progress (CWIP) includes the capitalized cost of land, material, equipment, labor, 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) Assets and 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, swap termination payment 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, 2024, and 2023, the Agency had accumulated regulatory assets, net of regulatory credits, of approximately $44,306,000 and $73,636,000, respectively.

Investment in Associated Company Effective June 2018, the Agency invested $265,000 (16.67% 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 asset (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. See Note H – Asset Retirement Obligations.

Leases For the purposes of measuring the lease asset and liability, interest expense and amortization expense, the present value of future payments is determined using the interest rate implicit in the lease, if available, or the incremental borrowing rate for the Agency. Any payments made to the lessor at or before the commencement of the lease term would also be included in the measurement of the lease asset and amortized over the life of the lease. Lease modifications are only remeasured if the remeasurement would result in a material change from the initial or previous measurement. See Note E – Leases.

Subscription Based Information Technology Arrangements (SBITA) For the purposes of measuring the SBITA asset and liability, interest expense and amortization expense, the present value of future payments is determined using the interest rate implicit in the SBITA, if available, or the incremental borrowing rate for the Agency. Any payments made to the vendor at or before the commencement of the arrangement term would also be included in the measurement of the asset and amortized over the life of the arrangement. SBITA modifications are only remeasured if the remeasurement would result in a material change from the initial or previous measurement. See Note F – SBITA.

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 G - 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. The Agency maintains current and non-current operating reserves. Current operating reserves are plants' maintenance reserves established to provide emergency liquidity, if needed, to ensure continued plant operations. Current operating reserves totaled $29,833,009 and $24,236,427 at June 30, 2024 and 2023, respectively. Non-current reserves are funded to cover emergencies and projects beyond the next fiscal year.

Changes in long-term operating reserves for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024
		(in thousands)		
General Operating Reserve	$ 75,703	$ 11,837	$ (8,274)	$ 79,266
CAISO Security & SC Balancing Account	46,742	8,166	(10,575)	44,333
Capital Development Reserve	29,853	5,852	(39)	35,666
Disaster Recovery Center	643	-	(151)	492
Power Management Service	1,378	2,499	(3,034)	843
Transmission Upgrade & GHG Allowances	755	5,266	(4,522)	1,499
Special Fund Reserve	1,500	-	-	1,500
	$ 156,574	$ 33,620	$ (26,595)	$ 163,599

Changes in long-term operating reserves for the year ended June 30, 2023, are as follows:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023
		(in thousands)		
General Operating Reserve	$ 72,745	$ 34,001	$ 31,043	$ 75,703
CAISO Security & SC Balancing Account	41,017	30,439	24,714	46,742
Capital Development Reserve	21,518	8,415	80	29,853
Disaster Recovery Center	-	2,200	1,557	643
Power Management Service	1,456	225	303	1,378
Transmission Upgrade & GHG Allowances	1,371	3,537	4,153	755
Special Fund Reserve	1,500	-	-	1,500
	$ 139,607	$ 78,817	$ 61,850	$ 156,574

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 2024 and 2023, 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 years ended June 30, 2024 and 2023 were for periods not greater than three 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 K - 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.

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". This component includes regulatory assets and credits regardless of the classification of the underlying assets and liabilities.

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, 2024 and 2023 were \$7,738,000 and \$6,099,000, 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 G – 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.

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 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 was not engaged in any public-private partnerships, public-public partnerships, or availability payment arrangements during FY 2024 and FY 2023.

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 effective for the periods beginning after June 15, 2022, or fiscal year 2023. The Agency implemented the standard effective July 1, 2022. There were no material effects in the prior year.
See Note F.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of the Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature. This statement did not have an impact on the agency.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for the periods beginning after June 15, 2023 or fiscal year 2024. The Agency is not aware of any accounting changes or error corrections in prior fiscal years presented.

Accounting Pronouncements Effective in Future Fiscal Years

- **GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement is effective for the periods beginning after December 15, 2023 or fiscal year 2025. The Agency has not determined the effect of the statement.

- **GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for the periods beginning after June 15, 2024 or fiscal year 2025. The Agency has not determined the effect of the statement.

- **GASB Statement No. 103** – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for the periods beginning after June 15, 2025 or fiscal year 2026. 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's financial statements to conform to the current year presentation. Such reclassifications had no effect on net position.

NOTE C – CASH AND INVESTMENTS

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 in the Agency's name with the Agency's custodian, U.S. Bank Global Custody Services, 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. In accordance with the Agency Investment Policy and Guidelines and the California Government Code, the following investment types are authorized:

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum Investment Per Issuer
U.S. Agencies	5 years	100%	100%
U.S. Treasury	5 years	100%	100%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-Negotiable Certificates of Deposit	5 years	20%	5%
Repurchase Agreements	1 year	100%	100%
Mutual Funds	5 years	20%	5%
Money Market Mutual Funds	5 years	20%	20%
Municipal Bonds	5 years	30%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Supranational Obligations	5 years	15%	5%
Local Agency Investment Fund (LAIF)	None	N/A2	NR
California Asset Management Program (CAMP)	None	100%	100%

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 in excess of the Federal Deposit Insurance Corporation (FDIC) threshold are limited to the top three ratings issued by nationally recognized statistical rating organizations and all investments must be investment grade. The Agency did not have certificates of deposit in excess of the FDIC threshold at June 30, 2024. Credit rating ranges and minimum rating requirements for the Agency's investments as of June 30, 2024, are listed below:

		Credit Rating	
Description	Min Rating	Moody's	S&P
U.S. Agencies	N/A	Aaa/NR	AA+/NR
U.S. Treasury	N/A	NR	NR
Municipal Bonds	A+	A1/Aaa	A+/AAA
Corporate Bonds	A-	A3-/Aaa	A-/AAA
Certificates of Deposit	A-	NR	NR
Local Agency Investment Fund	N/A	NR	NR
California Asset Management Program	N/A	AAAf	AAAm

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. NCPA records its investment in LAIF at amortized cost. Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The State Treasurer, as Chair, or her designated representative, appoints two members qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state.

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, 2024 and June 30, 2023.

Concentration of Credit Risk, June 30, 2024

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
	(in thousands)		
Federal Home Loan Bank	Federal Agency	$41,190	13.0%
Federal Farm Credit Bank	Federal Agency	$21,358	6.8%

Concentration of Credit Risk, June 30, 2023

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
	(in thousands)		
Federal Home Loan Bank	Federal Agency	$51,833	17.1%
Federal Farm Credit Bank	Federal Agency	$18,321	6.0%

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 portfolio for fiscal years ended June 30, 2024 and 2023, respectively.

Investments at June 30, 2024

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 80,666	$ 76,602	2.12
U.S. Treasury	10,462	10,416	1.02
Municipal Bonds	35,989	34,866	2.45
Corporate Bonds	81,758	77,438	2.24
TOTAL INVESTMENTS	$ 208,875	$ 199,322	

Investments at June 30, 2023

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 101,746	$ 95,931	2.42
U.S. Treasury	8,402	8,343	0.60
Municipal Bonds	29,203	27,313	2.30
Corporate Bonds	78,552	72,105	2.96
Certificates of Deposit	500	498	0.18
TOTAL INVESTMENTS	$ 218,403	$ 204,190	

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 p+rices 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.

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 Agency has the following fair value measurements as of June 30, 2024:

		Fair Value Using		
	June 30, 2024	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	$ 76,602	$ 12,669	$ 63,933	$ -
U.S. Treasury	10,416	10,416	-	-
Municipal Bonds	34,866	-	34,866	-
Corporate Bonds	77,438	-	77,438	-
Total debt securities	199,322	23,085	176,237	-
Total investments by fair value level	$ 199,322	$ 23,085	$ 176,237	$ -

The Agency has the following fair value measurements as of June 30, 2023:

		Fair Value Using		
	June 30, 2023	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	$ 95,931	$ 35,771	$ 60,160	$ -
U.S. Treasury	8,343	8,343	-	-
Municipal Bonds	27,313	-	27,313	
Corporate Bonds	72,105	-	72,105	-
Certificates of Deposit	498	-	498	-
Total debt securities	204,190	44,114	160,076	-
Total investments by fair value level	$ 204,190	$ 44,114	$ 160,076	$ -

NOTE E – LEASES

The Agency is leasing areas of land for 50 years, starting January 1, 2013. The largest land lease is paid monthly with payments of $106,674 made in 2024 and payments of $104,072 made in 2023. Two additional land leases are paid annually in amounts of $20,310 each for 2024, and $20,310 for 2023. The interest rate used for all land leases is the incremental borrowing rate for the Agency of 1.879%. Amortization expense for land leases totaled $618,923 in 2024 and $607,416 in 2023. Accumulated amortization for land leases totaled $2,310,755 in 2024 and $1,691,832 in 2023. Total lease asset amounts at June 30, 2024 are:

South Feather PPA	$	61,426,516
Land -		
Lodi Energy Center		37,201,913
Capital Facilities		601,898
	$	99,230,327

The Agency has entered into a power purchase agreement which is classified as a lease due to the nature of the contract. This lease agreement is for a term of ten years, starting January 1, 2022, with monthly payments of $560,560 using the incremental borrowing rate for the Agency of 1.879%. Monthly payments are considered to be for the initial monthly generation set out in the contract, with additional generation being purchased by the Agency at a rate of $33.98 per MWh. Variable payments made pursuant to this lease totaled $3.7 million in 2024, and $4.3 million in 2023. Amortization expense for the lease asset related to the power purchase agreement totaled $5.8 million in 2024, and $5.7 million in 2023.

	Lease Liabilities					
	Principal		Interest		Total	
(in thousands)						
2025	$	6,551	$	1,465	$	8,016
2026		6,676		1,341		8,017
2027		6,793		1,223		8,016
2028		6,920		1,097		8,017
2029		7,050		966		8,016
2030-2034		20,073		3,191		23,264
2035-2039		3,989		2,458		6,447
2040-2044		4,381		2,066		6,447
2045-2049		4,791		1,656		6,447
2050-2054		5,252		1,195		6,447
2055-2059		5,769		678		6,447
2060-2063		4,371		142		4,513
	$	82,616	$	17,478	$	100,094

NOTE F – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

The Agency has entered into a subscription-based information technology agreement (SBITA) for enterprise online services. The subscription is paid annually with a payment of $67,301 for 2024 and $68,479 for 2023. Payments are for the initial core licenses outlined in the contract, with additional license subscriptions being purchased by the Agency as needed and trued up during the annual billing process. The interest rate used is the incremental borrowing rate for the Agency of 1.879%. Amortization expense for the subscription totaled $64,619 in 2024 and $63,332 in 2023. Accumulated amortization for the subscription totaled $190,014 in 2024 and $125,395 in 2023. Total subscription asset amount at June 30, 2024 is $323,330.

	SBITA Liabilities		
	Principal	Interest	Total
2025	$ 65,906	$ 2,573	$ 68,479
2026	67,410	1,069	68,479
	$ 133,316	$ 3,642	$ 136,958

NOTE G -- 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, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Geothermal Project			(in thousands)		
2016 Series A - Original Issue Amount $17,530 Term, 1.670% due 2024 (direct placement)	$ 6,785	$ -	$ 3,360	$ 3,425	$ 3,425
Total Geothermal Project	6,785	-	3,360	3,425	3,425
Hydroelectric Project					
2012 Refunding Series B - Original Issue Amount $7,120 Serial, 4.32% through 2025	7,120	-	-	7,120	7,120
2018 Refunding Series A – Original Issue Amount $68,875 Serial, 5.00% through 2025	26,100	-	11,855	14,245	14,245
2019 Refunding Series A - Original Issue Amount $39,250 Serial, 4.00-5.00% through 2025	13,650	-	13,650	-	-
2022 Refunding Series A – Original Issue Amount $120,300 Serial, 5.00% through 2032	120,300	-	-	120,300	3,260
2022 Refunding Series B – Original Issue Amount $12,010 Serial, 2.36% through 2027	9,830	-	1,770	8,060	2,795
Add: Unamortized Premium, net	26,501	-	2,109	24,392	-
Total Hydroelectric Project	$ 203,501	$ -	$ 29,384	$ 174,117	$ 27,420

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
			(in thousands)		
Capital Facilities Project					
2019 Refunding Series A - Original Issue Amount $39,250 Serial, 4.00-5.00% through 2025	9,430	-	4,615	4,815	4,815
Add: Unamortized Premium	472	-	308	164	-
Total Capital Facilities Project	9,902	-	4,923	4,979	4,815
Lodi Energy Center, Issue One					
2010 Series B (Federally Taxable - 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 - Build America Bonds) - Original Issue Amount $110,225 Term, 5.679% due 2035	88,315	-	5,985	82,330	6,205
Lodi Energy Center, Issue One 2017 Series A – Original Issue Amount $38,970 Serial, 2.70% through 2025 (direct placement)	15,470	-	7,645	7,825	7,825
Total Lodi Energy Center Project	280,410	-	13,630	266,780	14,030
Total Long-Term Debt, Net	$ 500,598	$ -	$ 51,297	$ 449,301	$ 49,690

Debt service requirements for each of the next five years and in five-year cumulative increments thereafter as of June 30, 2024:

	Revenue Bonds		Notes from Direct Placements		
	Principal	Interest	Principal	Interest	Total
			(in thousands)		
2025	$ 38,440	$ 24,935	$ 11,250	$ 235	$ 74,860
2026	27,200	23,217	-	-	50,417
2027	28,410	21,685	-	-	50,095
2028	29,825	20,080	-	-	49,905
2029	31,010	18,338	-	-	49,348
2030-2034	164,090	62,393	-	-	226,483
2035-2039	94,520	23,258	-	-	117,778
Add: Unamortized Bond Premium	24,556	-	-	-	24,556
	$ 438,051	$ 193,906	$ 11,250	$ 235	$ 643,442

Interest includes interest requirements for fixed rate debt at their stated rate.

Changes in long-term debt obligations for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Due Within One Year
			(in thousands)		
Revenue bonds	$ 451,370	$ -	$ 37,875	$ 413,495	$ 38,440
Notes from direct placements	22,255	-	11,005	11,250	11,250
Add: Unamortized Premium, net	26,973	-	2,417	24,556	-
Total	$ 500,598	$ -	$ 51,297	$ 449,301	$ 49,690

Changes in long-term debt obligations for the year ended June 30, 2023, are as follows:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023	Due Within One Year
			(in thousands)		
Revenue bonds	$ 484,180	$ -	$ 32,810	$ 451,370	$ 37,875
Notes from direct placements	33,760	-	11,505	22,255	11,005
Add: Unamortized Premium, net	29,724	-	2,751	26,973	-
Total	$ 547,664	$ -	$ 47,066	$ 500,598	$ 48,880

The Agency’s outstanding notes from direct placements of $11,250,000 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 $413,495,000 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.

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 is 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.

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 5.7% in 2024 and 2023 due to federal government budget sequestration. Such payments may continue to be affected by sequestrations.

NOTE H – 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 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; and 5) 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, 2024 and 2023 are $73,728,000 and $72,116,000, respectively. The annual retirement expense for years ended June 30, 2024 and 2023 are $1,794,852 and $1,725,103, respectively.

NCPA has been collecting monies to pay the expected decommissioning costs since 2007 and holds $30.8 million in a designated reserve for such purpose as of June 30, 2024. 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 $169,000, and the estimated cost of plugging the Capital Facilities injection well totaled $149,000. 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-Whitman Index of Public Utility Construction Costs (Bulletin No. 187).

The estimated retirement obligation costs for the LEC well plugging is $206,029 with an annual retirement obligation expense of $9,249 for year ended June 30, 2024. The estimated retirement obligation costs for the Capital Facilities Project well plugging is $181,012 with an annual retirement obligation expense of $8,126 for year ended June 30, 2024.

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 I -- 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) became the 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, 2024 and 2023, 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%	7.25%
Required employer contribution rates	35.227%	35.227%

Employees Covered – At June 30, 2024 and 2023, the following employees were covered by the benefit terms for each Plan:

	2024	2023
Inactive employees or beneficiaries currently receiving benefits	182	176
Inactive employees entitled to but not yet receiving benefits	15	19
Active employees	154	159
Total	351	354

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, 2023 and 2022 (the measurement dates), the average active employee contribution rates were 6.694% and 7.113%, respectively, of annual pay and the Agency's contribution rates are 36.593% and 41.802%, 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, 2024 and 2023 were determined using the following actuarial assumptions:

	2024	2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.900%	6.900%
Inflation	2.5%	2.5%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	2.75%-8.50% (1)	2.75%-8.50% (1)
Investment Rate of Return	7.000% (2)	7.000% (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 6.90% 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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 7.00% 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 7.15%. For the measurement year ended June 30, 2023 and 2022, 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.

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, 2023:

Asset Class	Assumed Asset Allocation	Real Return[1,2]
Global Equity – Cap-weighted	30.00%	4.54%
Global Equity – Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

1 An expected inflation of 2.3% used for this period

2 Figures are based on the 2021 Asset Liability Management study

For measurement period ending June 30, 2022:

Asset Class	Strategic Allocation	Real Return Years 1-10 [3]	Real Return Years 11+ [4]
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%

[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, 2022	$ 197,426,168	$ 136,068,683	$ 61,357,485
Service cost incurred	3,890,622	-	3,890,622
Interest on total pension liability	13,577,488	-	13,577,488
Differences between actual and expected experience	2,667,933	-	2,667,933
Change in assumption	-	-	-
Change in benefits	113,543	-	113,543
Net Plan to Plan Resource Movement	-	-	-
Contributions – employer	-	9,398,011	(9,398,011)
Contributions – employee	-	1,611,747	(1,611,747)
Net investment income`	-	8,360,255	(8,360,255)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(10,755,495)	(10,755,495)	-
Administrative expense	-	(100,059)	100,059
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	9,494,091	8,514,459	979,632
Balance at June 30, 2023	$ 206,920,259	$ 144,583,142	$ 62,337,117

	Increase/(Decrease)		
Description	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2021	$ 187,779,297	$ 145,803,857	$ 41,975,440
Service cost incurred	4,013,452	-	4,013,452
Interest on total pension liability	12,929,039	-	12,929,039
Differences between actual and expected experience	58,583	-	58,583
Change in assumption	2,419,752	-	2,419,752
Change in benefits	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions – employer	-	9,491,348	(9,491,348)
Contributions – employee	-	1,614,933	(1,614,933)
Net investment income`	-	(10,976,673)	10,976,673
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(9,773,955)	(9,773,955)	-
Administrative expense	-	(90,827)	90,827
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	9,646,871	(9,735,174)	19,382,045
Balance at June 30, 2022	$ 197,426,168	$ 136,068,683	$ 61,357,485

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 (5.90% for 2024 and 2023) or 1-percentage point higher (7.90% for 2024 and 2023) than the current rate:

2024	**Discount Rate – 1% (5.90%)**	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
Plan's Net Pension Liability	$ 88,376,827	$ 62,337,117	$ 40,635,527

2023	**Discount Rate – 1% (5.90%)**	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
Plan's Net Pension Liability	$ 86,404,374	$ 61,357,485	$ 40,419,462

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

For the years ending June 30, 2024 and 2023, the Agency incurred pension expense of $10,339,259 and $8,291,942, respectively. At June 30, 2024 and 2023, the Agency has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 9,716,759	$ -
Changes in assumptions	1,239,386	-
Differences between actual and expected experience	2,399,588	-
Net differences between projected and actual earnings on plan investments	6,805,551	-
Total	$ 20,161,284	$ -

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 9,397,814	$ -
Changes in assumptions	1,829,569	-
Differences between actual and expected experience	1,317,977	-
Net differences between projected and actual earnings on plan investments	7,258,595	
Total	$ 19,803,955	$ -

Pension contributions subsequent to measurement date of $9,716,759 and $9,397,814 reported as deferred outflows of resources for years ending June 30, 2024 and 2023, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 and 2023, respectively.

For reporting year ended June 30, 2024, 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
2024	$ 3,009,183
2025	2,144,697
2026	5,088,627
2027	202,018
2028	-
Thereafter	-
Total	$ 10,444,525

Payable to the Pension Plan

At June 30, 2024 and 2023 the Agency did not have an outstanding amount of contributions payable to the pension plan required for the years ended.

NOTE J -- 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 15-year level dollar amount on a "closed" basis. There are 9 years remaining as of the measurement date of June 30, 2023.

Summary of certain plan provisions and benefits in effect during fiscal year ended June 30, 2024 and 2023:

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, 2024 and 2023, the following employees were covered by the benefit terms for each Plan:

	2024	2023
Inactive employees or beneficiaries currently receiving benefits	166	159
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	160	159
Total	326	318

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, 2023 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, 2024, the Agency had 160 active eligible employees and 166 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, 2023 actuarial valuation using the entry age normal actuarial cost method. The primary actuarial assumptions included: valuation using the Entry Age Normal Cost Method, 6.00% annual discount rate, payroll growth of 2.80% to 8.08%, 2.50% 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 was included in the fiscal year 2020 actuarial valuation roll forward and will reduce NCPA's OPEB liability on a going forward basis as the Agency hires future employees.

Net OPEB Liability (Asset) The Agency's net liability (asset) for the OPEB Plan is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability (asset) 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 (asset) follows.

Actuarial Assumptions The total OPEB assets/liabilities as of June 30, 2024 and 2023 are determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Valuation Date	June 30, 2023	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.00%	6.00%
Inflation	2.50%	2.80%
Payroll Growth	2.80%-8.08%	2.80%-8.08%
Projected Salary Increase	Varies (1)	Varies (1)
Investment Rate of Return	6.00% (2)	6.00% (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 2020 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 was assessed again in calendar year 2021.

Discount Rate The discount rate used to measure the total OPEB liability was 6.00%. 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, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	34.00%	8.77%
US Fixed Income	41.00%	4.57%
Treasury Inflation-Protected Securities	5.00%	4.08%
Real Estate Investment Trusts	17.00%	9.84%
Commodities	3.00%	5.36%

For measurement period ending June 30, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40.00%	8.96%
US Fixed Income	43.00%	4.61%
Treasury Inflation-Protected Securities	5.00%	3.36%
Real Estate Investment Trusts	8.00%	8.49%
Commodities	4.00%	4.23%

Changes in the Net OPEB Liability (Asset)

	Increase/(Decrease)		
Description	**Total OPEB Liability**	**Plan Fiduciary Net Position**	**Net OPEB Liability/(Asset)**
Balance at June 30, 2022	$ 38,307,622	$ 43,108,855	$ (4,801,233)
Service cost incurred	984,058	-	984,058
Interest on total OPEB liability	2,293,475	-	2,293,475
Differences between actual and expected experience	5,256,230	-	5,256,230
Change in assumption	(361,394)	-	(361,394)
Change in benefits	-	-	-
Contributions – employer	-	1,470,467	(1,470,467)
Contributions – employee	-	-	-
Net investment income	-	1,535,076	(1,535,076)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(2,165,713)	(2,165,713)	-
Administrative expense	-	(12,350)	12,350
Net changes	6,006,656	827,480	5,179,176
Balance at June 30, 2023	$ 44,314,278	$ 43,936,335	$ 377,943

Description	Increase/(Decrease) Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	$ 37,280,520	$ 49,143,874	$ (11,863,354)
Service cost incurred	928,357	-	928,357
Interest on total OPEB liability	2,229,539	-	2,229,539
Differences between actual and expected experience	-	-	-
Change in assumption	-	-	-
Change in benefits	-	-	-
Contributions – employer	-	2,130,794	(2,130,794)
Contributions – employee	-	-	-
Net investment income	-	(6,022,550)	6,022,550
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(2,130,794)	(2,130,794)	-
Administrative expense	-	(12,469)	12,469
Net changes	1,027,102	(6,035,019)	7,062,121
Balance at June 30, 2022	$ 38,307,622	$ 43,108,855	$ (4,801,233)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Plan, calculated using the discount rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current rate:

2024	Discount Rate – 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
Plan's Net OPEB Liability (Asset)	$ 5,607,067	$ 377,943	$ (3,989,703)

2023	Discount Rate – 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
Plan's Net OPEB Liability (Asset)	$ (499,984)	$ (4,801,233)	$ (8,409,440)

Sensitivity of the net OPEB liability (Asset) to changes in the healthcare cost trend rates.
The following presents the net OPEB liability (asset) of the Plan, as well as what the Plan's net OPEB liability (asset) 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:

2024	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability (Asset)	$ (4,555,923)	$ 377,943	$ 6,383,342

2023	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability (Asset)	$ (9,263,580)	$ (4,801,233)	$ 623,943

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB
For the year ending June 30, 2024 and 2023, the Agency incurred OPEB expense of $2,017,988 and $351,339, respectively. At June 30, 2024 and 2023, the Agency has deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

2024	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 1,045,850	$ -
Differences between actual and expected experience	4,281,048	(1,350,594)
Changes in assumptions	-	(317,835)
Net differences between projected and actual earnings on plan investments	3,977,857	-
Total	$ 9,304,755	$ (1,668,429)

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 1,470,467	$ -
Differences between actual and expected experience	-	(2,078,873)
Changes in assumptions	90,002	(33,118)
Net differences between projected and actual earnings on plan investments	3,980,810	-
Total	$ 5,541,279	$ (2,111,991)

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, 2024:	Deferred Outflows/(Inflows) of Resources	
2024	$	1,344,681
2025		1,116,764
2026		2,660,618
2027		1,114,242
2028		354,171
Thereafter		-
Total	$	6,590,476

Payable to the OPEB Plan At June 30, 2024 and 2023, 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 K -- COMMITMENTS AND CONTINGENCIES

Power Purchase Contracts The Agency had commitments of approximately $870 million in connection with various power purchase contracts as of June 30, 2024. The contracts, extending through November 2041, 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 the California compliance market. At June 30, 2024, negotiated REC prices range from $7 to $94 per REC.

Resource Adequacy Contracts The Agency had commitments of approximately $234 million in connection with various resource adequacy capacity contracts as of June 30, 2024. The contracts, extending through November 2041, 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 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 also terminated in October 2023.
- 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 $9.0 million of gas purchase commitments at June 30, 2024. The commitments, extending through December 2026, 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 18.87958% 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 4.05% 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 all cases that had potential to impact NCPA are resolved.

United States Bureau of Reclamation For many years prior to filing suit, NCPA advocated at all levels of the Federal Government in an attempt to get the United States Bureau of Reclamation ("Bureau") to correctly interpret the Central Valley Project Improvement Act (CVPIA) and reduce the restoration fund charges on the power contractors. The Bureau's incorrect interpretation of CVPIA continued during drought years when the restoration fund charges surged and the amount of energy provided by the Central Valley Project decreased dramatically. On September 4, 2014, NCPA, the City of Redding, City of Roseville, and City of Santa Clara (the Cities) filed a complaint against the United States in the United States Court of Federal Claims for refund of payments unlawfully assessed and collected by the United States of America (Case No. 14-817C).

After initially losing in the Court of Federal Claims on July 20, 2018, NCPA and the Cities appealed that judgment to the United States Court of Appeals for the Federal Circuit and prevailed on the question of liability on November 6, 2019 (Case No. 19-1010). NCPA and the Cities also prevailed on August 18, 2022, on the underlying theory for the calculation of the overpayment (Case No. 14-817C). On September 21, 2022, the Court of Claims awarded $81,872,385 to NCPA and the Cities. At that time, it was still undetermined if the Bureau would pay that full amount to NCPA. NCPA Members participating in the litigation were the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah and Plumas Sierra Rural Electric Cooperative, Port of Oakland, and Truckee Donner Public Utility District (the "Participating Members").

On March 8, 2023 the Bureau paid the judgement amount of $81,872,385 to NCPA. This amount was recorded as Non-Operating Other Revenues. NCPA distributed the judgement payment less the contingency based legal fee to members based on the amount of damages calculated for each year of the claim period and then by respective Base Resource Participation Percentages for each of the years. Some members directed NCPA to send their portions of the funds directly to their organizations, and some members deposited their portion of the judgement into the GOR accounts.

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, 2024, the Agency had cumulative compliance obligations of 1,360,028 MT with 1,742,261 MT of acquired allowances to meet its compliance obligations. At June 30, 2023, the Agency had cumulative compliance obligations of 1,110,694 MT with 1,637,129 MT of acquired allowances to meet its 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 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 $537,700 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 December 27, 2022 to January 31, 2023, severe winter storms caused widespread flooding, landslides, and mudslides throughout California. On February 14, 2023, a Presidential Disaster Declaration was issued and then amended several times to ultimately include most counties within the state and to make Public Assistance funding available. As a result of the storms, NCPA experienced landslides at various locations of the Hydroelectric Project including the Powerhouse system, the Collierville tailrace, and Clark's Creek Culvert including debris deposits that impacted travel access to facilities, damaged fences, weakening of the tailrace stability, and a collapsed culvert. NCPA estimates the total cost of the repairs at approximately $1.9 million. The Agency incurred total costs of $192,000 through June 30, 2024. NCPA seeks to recover Public Assistance grants and will record those proceeds in non-operating revenue in the fiscal year in which they are received.

During the winter of 2023, severe winter storms caused straight-line winds, flooding, landslides, mudslides, and heavy snowfall beginning on February 21, 2023 and continuing for months in the state of California. On April 3, 2023, a Presidential Disaster Declaration was issued and subsequently amended several times to ultimately include most counties within the state and to make Public Assistance funding available. As a result of the storms, NCPA realized damage from debris deposits and heavy snow loads to a road, a safety handrail system, gates and other various hardware, and a communication tower. NCPA estimates the total cost of the repairs at approximately $1.8 million. The Agency filed a claim for part of these damages with the project insurer. The Agency incurred total costs of $190,000 through June 30, 2024. NCPA seeks to recover Public Assistance grants and will record those proceeds and insurance proceeds in non-operating revenue in the fiscal year in which they are received.

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, cyber security attacks, and employees' on-the-job injuries. These risks are covered through the purchase of property, commercial, cyber liability, directors and officers, and worker's compensation insurance, with minimal deductibles. Settled claims with insurers have not exceeded the commercial liability limits in the past three years. Multiple catastrophic California wildfires that occurred over the last several years have had a significant impact on the liability insurance market in California. In addition, some insurers have left the market entirely, while others have reduced capacities and/or excluded wildfire coverage altogether. As a result, the Agency experienced upward price pressure for liability coverage during FY 2024. Wildfire liability insurance coverage limits remained the same at $35.0 million while premiums increased by 9.5%.

NCPA contracted Property insurance with a new insurer in fiscal year 2022 who places emphasis on engineering for resilience and focuses on working with their clients to prevent losses before they occur. Working with the insurer, the Agency is implementing some additional risk mitigation measures at the generating plants. NCPA signed a two-year rate lock extending to 2023. This switch reduced the annual premium by 36.6% while increasing overall policy limits and coverages.

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 2023	FY 2022	FY 2021	FY 2020	FY 2019
Total Pension Liability					
Service cost	$ 3,890,622	$ 4,013,452	$ 3,711,215	$ 3,605,566	$ 3,521,688
Interest on total pension liability	13,577,488	12,929,039	12,712,760	12,102,589	11,463,532
Differences between expected and actual experience	2,667,933	58,583	1,671,523	2,181,919	1,919,478
Changes in assumptions	-	2,419,752	-	-	-
Changes in benefits	113,543	-	-	-	-
Benefit payments, including refunds of employee contributions	(10,755,495)	(9,773,955)	(9,179,829)	(8,617,434)	(7,925,026)
Net change in total pension liability	9,494,091	9,646,871	8,915,669	9,272,640	8,979,672
Total pension liability - beginning	197,426,168	187,779,297	178,863,628	169,590,988	160,611,316
Total pension liability - ending (a)	$ 206,920,259	$ 197,426,168	$ 187,779,297	$ 178,863,628	$ 169,590,988
Plan fiduciary net position					
Contributions - employer	$ 9,398,011	$ 9,491,348	$ 11,158,575	$ 8,878,939	$ 8,704,519
Contributions - employee	1,611,747	1,614,933	1,594,388	2,044,537	1,826,209
Net investment income	8,360,255	(10,976,673)	26,174,998	5,409,344	6,536,424
Benefit payments	(10,755,495)	(9,773,955)	(9,179,829)	(8,617,434)	(7,925,026)
Administrative and other expense	(100,059)	(90,827)	(116,049)	(153,113)	(70,807)
Net change in plan fiduciary net position	8,514,459	(9,735,174)	29,632,083	7,562,273	9,071,319
Plan fiduciary net position - beginning	136,068,683	145,803,857	116,171,774	108,609,501	99,538,182
Plan fiduciary net position – ending (b)	$ 144,583,142	$ 136,068,683	$ 145,803,857	$ 116,171,774	$ 108,609,501
Net pension liability - ending (a)-(b)	$ 62,337,117	$ 61,357,485	$ 41,975,440	$ 62,691,854	$ 60,981,487
Plan fiduciary net position as a percentage of the total pension liability	69.87%	68.92%	77.65%	64.95%	64.04%
Covered - employee payroll	$ 21,578,604	$ 21,883,601	$ 21,158,583	$ 20,008,691	$ 20,379,246
Net pension liability as percentage of covered-employee payroll	288.88%	280.38%	198.38%	313.32%	318.60%

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(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 2018	FY 2017	FY 2016	FY 2015	FY 2014
Total Pension Liability					
Service cost	$ 3,511,108	$ 3,548,776	$ 3,152,017	$ 3,256,167	$ 3,220,329
$Interest on total pension liability	10,837,217	10,678,090	10,328,232	9,734,270	9,285,364
Differences between expected and actual experience	(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	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Net change in total pension liability	2,020,138	14,671,560	8,073,395	3,675,405	7,446,549
Total pension liability - beginning	158,591,178	143,919,618	135,846,223	132,170,818	124,724,269
Total pension liability - ending (a)	$ 160,611,316	$ 158,591,178	$ 143,919,618	$ 135,846,223	$ 132,170,818
Plan fiduciary net position					
Contributions - employer	$ 7,769,425	$ 6,752,236	$ 5,406,928	$ 5,584,985	$ 5,507,642
Contributions - employee	1,532,206	1,556,483	1,453,722	1,433,343	1,410,488
Net investment income	7,654,116	8,979,321	434,144	1,754,108	10,868,327
Benefit payments	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Administrative and other expense	(407,211)	(117,127)	(47,581)	(87,934)	-
Net change in plan fiduciary net position	9,446,666	10,760,498	1,258,820	3,161,520	12,727,223
Plan fiduciary net position - beginning	90,091,182	79,331,018	78,072,198	74,910,678	62,183,455
Plan fiduciary net position – ending (b)	$ 99,538,182	$ 90,091,516	$ 79,331,018	$ 78,072,198	$ 74,910,678
Net pension liability - ending (a)-(b)	$ 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	61.97%	56.81%	55.12%	57.47%	56.68%
Covered - employee payroll	$ 19,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,293	$ 17,596,462
Net pension liability as percentage of covered-employee payroll	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, 2023. This applies for voluntary benefit changes as well as any offers to Two Years Additional Service Credit (aka Golden Handshakes).

Changes in assumptions There were no assumption changes in 2024. In 2023, CalPERS reduced the discount rate from 7.15% to 6.90%. In 2022, CalPERS reduced the inflation from 2.625% to 2.50% and reduced the payroll growth rate from 2.875% to 2.75%. CalPERS also reduced the investment rate of return from 7.25% to 7.00%. 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.

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

Schedule of Pension Plan Contributions Last 10 Fiscal Years	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Actuarially Determined Contribution	$ 8,058,832	$ $8,296,779	$ 8,214,976	$ 7,847,070	$ 7,437,021
Contributions in Relation to the Actuarially Determined Contribution	(9,716,759)	(9,398,011)	(9,491,348)	(11,158,575)	(8,878,939)
Contribution Deficiency (Excess)	$ (1,657,927)	$ (1,101,232)	$ (1,276,372)	$ (3,311,505)	$ (1,441,918)
Covered-Employee Payroll[1]	$ 25,682,747	$ 21,578,604	$ 21,883,601	$ 21,158,583	$ 20,008,691
Contributions as a Percentage of Covered-Employee Payroll[1]	37.83%	43.55%	43.37%	52.74%	44.38%

[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.

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

Schedule of Pension Plan Contributions Last 10 Fiscal Years	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarially Determined Contribution	$ 6,839,592	$ 6,262,787	$ 5,715,970	$ 5,406,928	$ $ 5,065,861
Contributions in Relation to the Actuarially Determined Contribution	(8,704,519)	(7,769,425)	(6,752,236)	(5,406,928)	(5,584,985)
Contribution Deficiency (Excess)	$ (1,864,927)	$ (1,506,638)	$ (1,036,266)	$ -	$ (519,124)
Covered-Employee Payroll[1]	$ 19,140,650	$ 14,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,263
Contributions as a Percentage of Covered-Employee Payroll[1]	45.48%	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.

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 *

	FY2023	FY2022	FY2021	FY 2020	FY 2019	FY 2018	FY 2017
Total OPEB Liability (Asset)							
Service cost	$ 984,058	$ 928,357	$ 994,705	$ 931,808	$ 1,036,513	$ 970,972	$ 909,576
Interest on total OPEB liability	2,293,475	2,229,539	2,618,181	2,521,369	2,456,709	2,354,734	2,256,395
Differences between expected and actual experience	5,256,230	-	(3,011,160)	-	(873,781)	-	-
Changes in assumptions	(361,394)	-	(52,374)	-	450,018	-	-
Changes in benefits	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,165,713)	(2,130,794)	(2,089,871)	(2,074,034)	(1,941,780)	(1,821,195)	(1,721,416)
Net change in total OPEB liability	6,006,656	1,027,102	(1,540,519)	1,379,143	1,127,679	1,504,511	1,444,555
Total OPEB liability - beginning	38,307,622	37,280,520	38,821,039	37,441,896	36,314,217	34,809,706	33,365,151
Total OPEB liability - ending (a)	$ 44,314,278	$ 38,307,622	$ 37,280,520	$ 38,821,039	$ 37,441,896	$ 36,314,217	$ 34,809,706
Plan fiduciary net position							
Contributions - employer	$ 1,470,467	$ 2,130,794	$ 1,890,942	$ 3,913,580	$ 4,094,854	$ 3,642,455	$ 3,914,644
Contributions - employee	-	-	-	-	-	-	-
Net investment income	1,535,076	(6,022,550)	10,804,119	1,311,739	2,012,435	2,147,351	2,390,569
Benefit payments	(2,165,713)	(2,130,794)	(2,089,871)	(2,074,034)	(1,941,780)	(1,821,195)	(1,721,416)
Administrative expense	(12,350)	(12,469)	(14,901)	(17,734)	(6,837)	(14,755)	(11,683)
Net change in plan fiduciary net position	827,480	(6,035,019)	10,590,289	3,133,551	4,158,672	3,953,856	4,572,114
Plan fiduciary net position - beginning	43,108,855	49,143,874	38,553,585	35,420,034	31,261,362	27,307,506	22,735,392
Plan fiduciary net position - ending (b)	$ 43,936,335	$ 43,108,855	$ 9,143,874	$ 38,553,585	$ 35,420,034	$ 31,261,362	$ 27,307,506
Net OPEB liability (asset) - ending (a)-(b)	$ 377,943	$ (4,801,233)	$ (11,863,354)	$ 267,454	$ 2,021,862	$ 5,052,855	$ 7,502,200

	FY2023	FY2022	FY2021	FY 2020	FY 2019	FY 2018	FY 2017
Plan fiduciary net position as a percentage of the total OPEB liability	99.15%	112.50%	131.82%	99.31%	94.60%	86.09%	78.45%
Covered - employee payroll	$ 23,714,522	$ 23,321,202	$ 22,705,335	$ 21,671,909	$ 20,379,246	$ 19,556,204	$ 18,573,174
Net OPEB liability as percentage of covered-employee payroll	1.59%	-20.59%	-52.25%	1.23%	9.92%	25.84%	40.39%

Notes to Schedule:

Benefit changes The benefit payments for FY 2023, FY 2022, FY 2021, FY 2020, FY 2019 and FY 2018 consist of pay-as-you-go cost of $1,470,467, $1,760,488, $1,719,565, $1,653,682, $1,521,428, and $1,426,947, respectively, plus estimated implicit rate subsidy of $370,306, $370,306, $420,352, $420,352, and $394,248, respectively.

Changes in assumptions NCPA funds, at minimum, the Actuarially Determined Contribution to the OPEB fund. During measurement period ending June 30, 2021, discount rate decreased from 6.75% to 6.00%. 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 seven years are shown.

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

Schedule of OPEB Plan Contributions
Last 10 Fiscal Years *

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Actuarially Determined Contribution	$ 1,275,000	$ 1,106,000	$ 1,043,000	$ 1,718,290	$ 1,300,000	$ 1,676,000	$ 1,426,947
Contributions in Relation to the Actuarially Determined Contribution	(1,045,850)	(1,840,773)	(2,128,469)	(1,939,713)	(3,911,488)	(3,674,502)	(3,454,933)
Contribution Deficiency (Excess)	229,150	(734,773)	$ (1,085,469)	$ (221,423)	$ (2,611,488)	$ (1,998,502)	$ (2,027,985)
Covered-Employee Payroll	$ 25,682,748	$ 23,714,522	$ 23,321,202	$ 22,705,334	$ 21,671,910	$ 20,379,247	$ 19,556,203
Contributions as a Percentage of Covered-Employee Payroll[1]	4.07%	7.76%	9.13%	8.54%	18.05%	18.03%	17.67%

* Fiscal year 2018 was the first year of implementation, therefore only seven 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	6.00 percent
Healthcare cost trend rates	7.50% for pre-65 and 4.25% for post-65
Salary increases	2.80 percent
Investment rate of return	6.00 percent
Retirement age	In the 2021 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.

Supplemental Information

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2024									
	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	$ 2,861	$ 25,473	$ 841	$ -	$ 65	$ -	$ 8,722	$ -	$ -	$ 37,962
Unrestricted	1,302	2,415	1	1	4,591	-	18,505	1,853	83,956	112,624
Investments										
Restricted	592	5,557	3,739	-	5,238	-	-	-	-	15,126
Unrestricted	1,224	4,987	-	-	2,510	-	1,357	-	13,108	23,186
Accounts receivable										
Participants	-	-	-	-	-	-	-	-	12	12
Other	-	-	-	-	-	-	3,056	-	1,321	4,377
Interest receivable	183	345	-	-	79	-	56	-	414	1,077
Inventory and supplies	1,809	1,319	304	484	2,625	-	-	-	-	6,541
Prepaid expenses	662	794	1	58	769	-	-	84	1,035	3,403
Due from Agency and other programs*	20,540	2,331	2,765	3,208	9,730	-	35,981	4,446	(79,001)	-
TOTAL CURRENT ASSETS	29,173	43,221	7,651	3,751	25,607	-	67,677	6,383	20,845	204,308
NONCURRENT ASSETS										
Investments										
Restricted	-	-	-	-	7,994	-	-	-	-	7,994
Unrestricted	27,103	28,695	-	-	8,809	-	15,477	-	72,932	153,016
Electric plant in service	579,951	395,746	65,473	38,985	447,698	7,736	61,427	1,178	7,005	1,605,199
Less: accumulated depreciation and amortization	(557,409)	(319,027)	(61,647)	(35,941)	(153,750)	(7,736)	(14,303)	(927)	(5,107)	(1,155,847)
Construction work in progress	-	-	-	-	-	-	-	-	1,708	1,708
TOTAL NONCURRENT ASSETS	49,645	105,414	3,826	3,044	310,751	-	62,601	251	76,538	612,070
OTHER ASSETS										
Regulatory assets	-	74,318	-	-	28,187	-	-	-	39,176	141,681
Net OPEB assets									-	-
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	-	74,318	-	-	28,187	-	-	-	39,441	141,946
TOTAL ASSETS	78,818	222,953	11,477	6,795	364,545	-	130,278	6,634	136,824	958,324
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	23	-	-	-	174	-	-	-	-	197
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	29,466	29,466
Asset Retirement Obligations	61,912	-	179	-	204	-	-	-	-	62,295
TOTAL DEFERRED OUTFLOWS OF RESOURCES	61,935	-	179	-	378	-	-	-	29,466	91,958
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 140,753	$ 222,953	$ 11,656	$ 6,795	$ 364,923	$ -	$ 130,278	$ 6,634	$ 166,290	$ 1,050,282

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2024										
	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	$ 5,507	$ 647	$ 1	$ 1	$ 201	$ -	$ 26,458	$ -	$ 13,329	$ 46,144	
Accounts and retentions payable - restricted for construction	-	-	-	-	-	-	-	-	-	-	
Member advances	791	-	-	-	-	-	-	502	-	1,293	
Operating reserves	3,555	250	617	4,051	21,360	-	-	-	-	29,833	
Current portion of lease liability	-	-	10	-	626	-	5,915	-	-	6,551	
Current portion of SBITA liability	-	-	-	-	-	-	-	-	66	66	
Current portion of long-term debt	3,425	27,419	4,815	-	14,031	-	-	-	-	49,690	
Accrued interest payable	29	3,613	67	-	1,056	-	-	-	-	4,765	
TOTAL CURRENT LIABILITIES	13,307	31,929	5,510	4,052	37,274	-	32,373	502	13,395	138,342	
NON-CURRENT LIABILITIES											
Net pension and OPEB liabilities	-	-	-	-	-	-	-	-	62,715	62,715	
Operating reserves and other deposits	1,500	35,666	-	-	129	-	44,334	2,213	79,757	163,599	
Interest rate swap liability	-	-	-	-	-	-	-	-	-	-	
Asset Retirement Obligations	73,345	-	179	-	204	-	-	-	-	73,728	
Long-term lease liability	-	-	553	-	34,303	-	41,209	-	-	76,065	
Long-term SBITA liability	-	-	-	-	-	-	-	-	67	67	
Long-term debt, net	-	146,698	163	-	252,750	-	-	-	-	399,611	
TOTAL NON-CURRENT LIABILITIES	74,845	182,364	895	-	287,386	-	85,543	2,213	142,539	775,785	
TOTAL LIABILITIES	88,152	214,293	6,405	4,052	324,660	-	117,916	2,715	155,934	914,127	
DEFERRED INFLOWS OF RESOURCES											
Regulatory credits	39,890	7,430	4,681	3,229	37,395	-	-	189	4,561	97,375	
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	1,668	1,668	
Deferred gain on debt refunding	-	-	-	-	-	-	-	-	-	-	
TOTAL DEFERRED INFLOWS OF RESOURCES	39,890	7,430	4,681	3,229	37,395	-	-	189	6,229	99,043	
NET POSITION											
Net investment in capital assets	19,117	(94,638)	(1,468)	3,044	4,136	-	-	251	3,473	(66,085)	
Restricted for debt service	3,425	25,488	4,513	-	1,125	-	-	-	-	34,551	
Unrestricted	(9,831)	70,380	(2,475)	(3,530)	(2,393)	-	12,362	3,479	654	68,646	
TOTAL NET POSITION	12,711	1,230	570	(486)	2,868	-	12,362	3,730	4,127	37,112	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 140,753	$ 222,953	$ 11,656	$ 6,795	$ 364,923	$ -	$ 130,278	$ 6,634	$ 166,290	$ 1,050,282	
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

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, 2024									
	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	$ 25,393	$ 19,072	$ 6,194	$ 3,474	$ 36,029	$ -	$ 399,675	$ 24,058	$ 2,803	$ 516,698
Other Third-party	28,225	37,295	1,074	1,285	67,210	-	99,188	3,934	-	238,211
TOTAL OPERATING REVENUES	53,618	56,367	7,268	4,759	103,239		498,863	27,992	2,803	754,909
OPERATING EXPENSES										
Purchased power	678	3,576	55	355	2,516	-	305,243	-	-	312,423
Operations	19,881	5,730	1,540	1,461	64,909	-	4,693	14,810	-	113,024
Transmission	328	359	2	3	498	-	168,658	5	-	169,853
Depreciation & amortization	3,951	9,468	2,216	347	14,765	-	5,805	135	469	37,156
Maintenance	26,631	9,425	892	2,512	6,827	-	-	195	-	46,482
Administrative and general	6,345	5,193	794	973	6,294	-	-	9,314	3,091	32,004
Intercompany (sales) purchases, net*	(899)	362	69	90	392	-	-	(14)	-	-
TOTAL OPERATING EXPENSES	56,915	34,113	5,568	5,741	96,201	-	484,399	24,445	3,560	710,942
NET OPERATING INCOME	(3,297)	22,254	1,700	(982)	7,038	-	14,464	3,547	(757)	43,967
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(328)	(5,894)	135	-	(13,334)	-	(922)	-	(4)	(20,347)
Interest income	2,015	2,584	239	153	2,415	-	4,303	295	4,864	16,868
Other	6,171	728	1,135	-	4,653	-	638	21	775	14,121
TOTAL NON OPERATING (EXPENSES) REVENUES	7,858	(2,582)	1,509	153	(6,266)	-	4,019	316	5,635	10,642
FUTURE RECOVERABLE AMOUNTS	(1,005)	(20,460)	(3,080)	(87)	(1,162)	-	-	-	1,594	(24,200)
REFUNDS TO PARTICIPANTS	(518)	(2,071)	(416)	(246)	(1,356)	-	(5,692)	(5,434)	(3,919)	(19,652)
INCREASE (DECREASE) IN NET POSITION	3,038	(2,859)	(287)	(1,162)	(1,746)	-	12,791	(1,571)	2,553	10,757
NET POSITION, Beginning of year	9,673	4,089	857	676	4,614	-	(429)	5,301	1,574	26,355
NET POSITION, End of year	$ 12,711	$ 1,230	$ 570	$ (486)	$ 2,868	$ -	$ 12,362	$ 3,730	$ 4,127	$ 37,112
	-	-	-	-	-	-	-	-	-	-

* 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, 2024									
	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	$ 26,404	$ 18,365	$ 9,086	$ 3,961	$ 35,402	$ -	$ 399,676	$ 24,224	$ 1,687	$ 518,805
Received from others	29,871	43,111	1,074	1,285	67,210	-	96,800	3,934	3,283	246,568
Payments for employee services	(12,312)	(5,438)	(874)	(1,499)	(6,502)	-	(2)	(11,554)	(9,224)	(47,405)
Payments to suppliers for goods and services	(36,545)	(18,659)	(2,390)	(3,309)	(71,775)	-	(489,226)	(12,542)	8,092	(626,354)
Payments from(to) other programs *	899	(362)	(69)	(90)	(392)	-	-	14	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	8,317	37,017	6,827	348	23,943	-	7,248	4,076	3,838	91,614
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	6,631	50,811	4,934	154	32,859	-	1,000	-	7,766	104,155
Interest received on cash and investments	1,333	1,264	135	-	1,311	-	3,767	295	2,169	10,274
Purchase of investments	(3,986)	(38,850)	(4,937)	-	(33,154)	-	(1,022)	-	(9,180)	(91,129)
Payments from(to) other programs *	-	-	-	-	-	-	-	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	3,978	13,225	132	154	1,016	-	3,745	295	755	23,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(1,243)	(149)	-	(830)	(236)	-	-	(62)	(180)	(2,700)
Insurance proceeds on asset disposals	-	-	-	-	-	-	-	-	-	-
Swap termination fee		-								-
Interest paid on lease liability			(11)		(671)		(1,031)			(1,713)
Interest paid on long-term debt	(84)	(8,657)	(343)	-	(11,638)	-	109	-	-	(20,613)
Payments on lease liability			(10)		(598)		(5,696)			(6,304)
Principal repayment on long-term debt	(3,360)	(27,275)	(4,615)	-	(13,641)	-	(108)	-	-	(48,999)
Proceeds from bond issues	-	-	-	-	-	-	-	-	-	-
Payments to refund debt	-	-	-	-	-	-	-	-	-	-
Payments from(to) other programs *	-	-	-	-	-	-	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(4,687)	(36,081)	(4,979)	(830)	(26,784)	-	(6,726)	(62)	(180)	(80,329)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from U.S. Bureau of Reclamation judgement	-	-	-	-	-	-	-	-	-	-
Other proceeds	(4,067)	728	(1,574)	574	2,286	-	(235)	21	10,352	8,085
Refunds to participants	(518)	(369)	(416)	(246)	(1,356)	-	(5,692)	(3,066)	(3,919)	(15,582)
Payments from(to) other programs *	-	-	-	-	-	-	-	-	-	-
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(4,585)	359	(1,990)	328	930	-	(5,927)	(3,045)	6,433	(7,497)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,023	14,520	(10)	-	(895)	-	(1,660)	1,264	10,846	27,088
Beginning of year	1,140	13,368	852	1	5,551	-	28,887	589	73,110	123,498
End of year	$ 4,163	$ 27,888	$ 842	$ 1	$ 4,656	$ -	$ 27,227	$ 1,853	$ 83,956	$ 150,586
	-	-	-	-	-	-	-	-	-	-
(check total vs. prior year financial statements - should be zero)	-	-	-	-	-	-	-	-	-	-

* 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, 2024									
	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 INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ (3,297)	$ 22,254	$ 1,700	$ (982)	$ 7,038	$ -	$ 14,464	$ 3,547	$ (757)	$ 43,967
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,951	9,468	2,216	348	14,765	-	5,805	134	468	37,155
	654	31,722	3,916	(634)	21,803	-	20,269	3,681	(289)	81,122
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	-	-	-	-	-	-	20	-	(89)	(69)
Inventory and prepaid expense	(23)	189	18	(58)	(284)	-	-	7	349	198
Operating reserves and other deposits	1,646	5,812	-	555	3,359	-	(2,408)	246	3,412	12,622
Member advances	-	-	-	-	-	-	-	300	-	300
Regulatory assets										-
Regulatory credits	1,011	(703)	2,893	486	(627)	-	1	(133)	439	3,367
Accounts payable and other liabilities	5,029	(3)	-	(1)	(308)	-	(10,634)	(25)	16	(5,926)
NET CASH FROM OPERATING ACTIVITIES	$ 8,317	$ 37,017	$ 6,827	$ 348	$ 23,943	$ -	$ 7,248	$ 4,076	$ 3,838	$ 91,614
	-	-	-	-	-	-	-	-	-	-
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - restricted	$ 2,861	$ 25,473	$ 841	$ -	$ 65	$ -	$ 8,722	$ -	$ -	$ 37,962
Cash and cash equivalents - unrestricted	1,302	2,415	1	1	4,591	-	18,505	1,853	83,956	112,624
End of year	$ 4,163	$ 27,888	$ 842	$ 1	$ 4,656	$ -	$ 27,227	$ 1,853	$ 83,956	$ 150,586
	-	-	-	-	-	-	-	-	-	-

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2023									
	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	$ 1,107	$ 11,570	$ 851	$ -	$ 124	$ -	$ 11,627	$ -	$ -	$ 25,279
Unrestricted	33	1,798	1	1	5,427	-	17,260	589	73,110	98,219
Investments										
Restricted	2,310	20,029	3,630	-	5,313	-	-	-	-	31,282
Unrestricted	883	3,604	-	-	50	-	499	-	7,003	12,039
Accounts receivable										
Participants	-	-	-	-	-	-	-	-	52	52
Other	-	4	-	-	-	-	3,076	-	1,192	4,272
Interest receivable	160	240	-	-	41	-	60	-	364	865
Inventory and supplies	1,853	1,576	285	429	2,351	-	-	-	-	6,494
Prepaid expenses	595	726	38	55	759	-	-	91	1,384	3,648
Due from Agency and other programs*	11,308	2,580	3,054	3,870	8,213	-	35,109	6,814	(70,948)	-
TOTAL CURRENT ASSETS	18,249	42,127	7,859	4,355	22,278	-	67,631	7,494	12,157	182,150
NONCURRENT ASSETS										
Investments										
Restricted	-	1,808	-	-	8,913	-	-	-	-	10,721
Unrestricted	25,917	24,544	-	-	8,936	-	15,773	-	74,978	150,148
Electric plant in service	578,708	395,597	65,473	38,155	447,462	7,736	61,427	1,116	6,976	1,602,650
Less: accumulated depreciation and amortization	(553,458)	(309,559)	(59,431)	(35,593)	(138,984)	(7,736)	(8,498)	(793)	(4,638)	(1,118,690)
Construction work in progress	-	-	-	-	-	-	-	-	1,557	1,557
TOTAL NONCURRENT ASSETS	51,167	112,390	6,042	2,562	326,327	-	68,702	323	78,873	646,386
OTHER ASSETS										
Regulatory assets	-	96,227	-	-	29,145	-	-	-	37,580	162,952
Net OPEB assets									4,801	4,801
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	-	96,227	-	-	29,145	-	-	-	42,646	168,018
TOTAL ASSETS	69,416	250,744	13,901	6,917	377,750	-	136,333	7,817	133,676	996,554
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	294	-	-	-	519	-	-	-	-	813
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	25,345	25,345
Asset Retirement Obligations	62,104	-	175	-	199	-	-	-	-	62,478
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,398	-	175	-	718	-	-	-	25,345	88,636
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 131,814	$ 250,744	$ 14,076	$ 6,917	$ 378,468	$ -	$ 136,333	$ 7,817	$ 159,021	$ 1,085,190

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2023									
	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	$ 478	$ 650	$ -	$ 2	$ 509	$ -	$ 37,092	$ 25	$ 13,313	$ 52,069
Member advances	791	-	-	-	-	-	-	202	-	993
Operating reserves	1,909	250	617	3,496	17,964	-	-	-	-	24,236
Current portion of lease liability	-	-	10	-	609	-	5,805	-	-	6,424
Current portion of SBITA liability	-	-	-	-	-	-	-	-	65	65
Current portion of long-term debt	3,360	27,274	4,615	-	13,631	-	-	-	-	48,880
Accrued interest payable	56	4,268	164	-	1,044	-	-	-	-	5,532
TOTAL CURRENT LIABILITIES	6,594	32,442	5,406	3,498	33,757	-	42,897	227	13,378	138,199
NON-CURRENT LIABILITIES										
Net pension and OPEB liabilities	-	-	-	-	-	-	-	-	61,357	61,357
Operating reserves and other deposits	1,500	29,854	-	-	166	-	46,742	1,967	76,345	156,574
Asset Retirement Obligations	71,742	-	175	-	199	-	-	-	-	72,116
Long-term lease liability	-	-	563	-	34,929	-	47,123	-	-	82,615
Long-term SBITA liability	-	-	-	-	-	-	-	-	133	133
Long-term debt, net	3,425	176,226	5,287	-	266,780	-	-	-	-	451,718
TOTAL NON-CURRENT LIABILITIES	76,667	206,080	6,025	-	302,074	-	93,865	1,967	137,835	824,513
TOTAL LIABILITIES	83,261	238,522	11,431	3,498	335,831	-	136,762	2,194	151,213	962,712
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	38,880	3,534	1,692	2,743	38,023	-	-	322	4,122	89,316
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	2,112	2,112
Deferred gain on debt refunding	-	4,599	96	-	-	-	-	-	-	4,695
TOTAL DEFERRED INFLOWS OF RESOURCES	38,880	8,133	1,788	2,743	38,023	-	-	322	6,234	96,123
NET POSITION										
Net investment in capital assets	18,465	(114,736)	(4,186)	2,562	5,471	-	-	323	3,697	(88,404)
Restricted for debt service	3,360	27,272	4,317	-	1,137	-	-	-	1	36,087
Restricted for other postemployment benefits	-	-	-	-	-	-	-	-	4,801	4,801
Unrestricted	(12,152)	91,553	726	(1,886)	(1,994)	-	(429)	4,978	(6,925)	73,871
TOTAL NET POSITION	9,673	4,089	857	676	4,614	-	(429)	5,301	1,574	26,355
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 131,814	$ 250,744	$ 14,076	$ 6,917	$ 378,468	$ -	$ 136,333	$ 7,817	$ 159,021	$ 1,085,190

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, 2023									
	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	$ (23,288)	$ (19,329)	$ (1,357)	$ 1,702	$ 21,368	$ -	$ 621,160	$ 22,836	$ 3,661	$ 626,753
Other Third-party	66,353	83,217	2,539	3,893	167,234	-	172,136	2,789	-	498,161
TOTAL OPERATING REVENUES	43,065	63,888	1,182	5,595	188,602		793,296	25,625	3,661	1,124,914
OPERATING EXPENSES										
Purchased power	1,068	7,502	425	640	8,069	-	554,100	-	-	571,804
Operations	19,375	5,396	2,322	2,185	148,700	-	2,599	13,429	-	194,006
Transmission	242	343	4	7	887	-	210,243	5	-	211,731
Depreciation & amortization	3,828	9,512	2,215	312	14,750	-	5,696	107	406	36,826
Maintenance	15,633	7,289	737	1,793	7,393	-	-	92	-	32,937
Administrative and general	6,372	5,350	792	792	5,653	-	-	8,795	1,315	29,069
Intercompany (sales) purchases, net*	(773)	280	56	93	360	-	-	(16)	-	-
TOTAL OPERATING EXPENSES	45,745	35,672	6,551	5,822	185,812	-	772,638	22,412	1,721	1,076,373
NET OPERATING INCOME	(2,680)	28,216	(5,369)	(227)	2,790	-	20,658	3,213	1,940	48,541
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(380)	(7,015)	31	-	(13,728)	-	(1,031)	-	(5)	(22,128)
Interest income	38	1,161	158	84	1,195	-	2,126	741	608	6,111
Other	3	6	8,345	-	8,124	-	-	81,934	436	98,848
TOTAL NON OPERATING (EXPENSES) REVENUES	(339)	(5,848)	8,534	84	(4,409)	-	1,095	82,675	1,039	82,831
FUTURE RECOVERABLE AMOUNTS	(990)	(20,760)	(2,983)	-	(570)	-	-	-	(2,597)	(27,900)
REFUNDS TO PARTICIPANTS	(2,224)	(646)	(165)	(1,219)	(140)	-	(2,279)	(86,086)	(1,055)	(93,814)
INCREASE (DECREASE) IN NET POSITION	(6,233)	962	17	(1,362)	(2,329)	-	19,474	(198)	(673)	9,658
NET POSITION, Beginning of year	15,906	3,127	840	2,038	6,943	-	(19,903)	5,499	2,247	16,697
NET POSITION, End of year	$ 9,673	$ 4,089	$ 857	$ 676	$ 4,614	$ -	$ (429)	$ 5,301	$ 1,574	$ 26,355

* 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, 2023									
	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	$ (24,446)	$ (20,085)	$ (519)	$ 1,828	$ 21,458	$ -	$ 642,440	$ 22,803	$ 8,170	$ 651,649
Received from others	67,030	91,549	2,539	3,893	167,234	-	177,089	2,790	7,627	519,751
Payments for employee services	(12,234)	(5,341)	(805)	(1,367)	(6,119)	-	-	(10,318)	(8,528)	(44,712)
Payments to suppliers for goods and services	(30,938)	(20,434)	(3,485)	(4,342)	(161,298)	-	(769,887)	(12,423)	533	(1,002,274)
Payments from(to) other programs *	773	(280)	(56)	(93)	(360)	-	-	16	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	185	45,409	(2,326)	(81)	20,915	-	49,642	2,868	7,802	124,414
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	3,773	14,845	4,301	-	31,382	-	2,150	-	8,565	65,016
Interest received on cash and investments	817	716	84	46	(1,777)	-	2,351	743	1,788	4,768
Purchase of investments	(6,559)	(48,687)	(4,377)	-	(31,860)	-	(3,626)	-	(6,249)	(101,358)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,969)	(33,126)	8	46	(2,255)	-	875	743	4,104	(31,574)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(982)	(88)	(3)	(467)	(3)	-	(1)	(92)	(2,073)	(3,709)
Interest paid on lease liability			(11)		(671)		(1,031)			(1,713)
Interest paid on long-term debt	(150)	(8,225)	(576)	-	(12,081)	-	-	-	-	(21,032)
Payments on lease liability			(10)		(598)		(5,696)			(6,304)
Principal repayment on long-term debt	(4,030)	(22,675)	(4,355)	-	(13,244)	-	-	-	198	(44,106)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,162)	(30,988)	(4,955)	(467)	(26,597)	-	(6,728)	(92)	(1,875)	(76,864)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from U.S. Bureau of Reclamation judgement	-	-	-	-	-	-	-	81,872	-	81,872
Other proceeds	3,848	(5,420)	7,445	1,721	11,069	-	(37,565)	57	31,861	13,016
Refunds to participants	(2,224)	(646)	(165)	(1,219)	(140)	-	(2,279)	(85,867)	(3,698)	(96,238)
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	1,624	(6,066)	7,280	502	10,929	-	(39,844)	(3,938)	28,163	(1,350)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,322)	(24,771)	7	-	2,992	-	3,945	(419)	38,194	14,626
Beginning of year	6,462	38,139	845	1	2,559	-	24,942	1,008	34,916	108,872
End of year	$ 1,140	$ 13,368	$ 852	$ 1	$ 5,551	$ -	$ 28,887	$ 589	$ 73,110	$ 123,498

* 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, 2023

	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 INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ (2,680)	$ 28,216	$ (5,369)	$ (227)	$ 2,790	$ -	$ 20,658	$ 3,213	$ 1,940	$ 48,541
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,827	9,512	2,215	312	14,750	-	5,695	104	411	36,826
	1,147	37,728	(3,154)	85	17,540	-	26,353	3,317	2,351	85,367
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	1,940	-	-	-	-	-	20,508	26	4,926	27,400
Inventory and prepaid expense	(417)	174	58	(9)	(252)	-	-	29	(455)	(872)
Operating reserves and other deposits	(1,263)	8,336	-	460	5,186	-	5,725	(398)	3,600	21,646
Regulatory credits	(1,157)	(760)	838	126	90	-	1	(55)	1,008	91
Accounts payable and other liabilities	(65)	(69)	(68)	(743)	(1,649)	-	(2,945)	(51)	(3,628)	(9,218)
NET CASH FROM OPERATING ACTIVITIES	$ 185	$ 45,409	$ (2,326)	$ (81)	$ 20,915	$ -	$ 49,642	$ 2,868	$ 7,802	$ 124,414
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - restricted	$ 1,107	$ 11,570	$ 851	$ -	$ 124	$ -	$ 11,627	$ -	$ -	$ 25,279
Cash and cash equivalents - unrestricted	33	1,798	1	1	5,427	-	17,260	589	73,110	98,219
End of year	$ 1,140	$ 13,368	$ 852	$ 1	$ 5,551	$ -	$ 28,887	$ 589	$ 73,110	$ 123,498

Other Information
(Unaudited)

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:							
Azusa					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.