



Wholesale Cost Competitiveness Strategic Directive BP-SD-04 Annual Review

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CFC Results for 2022

NPPD Board of Directors
Strategic Business Matters
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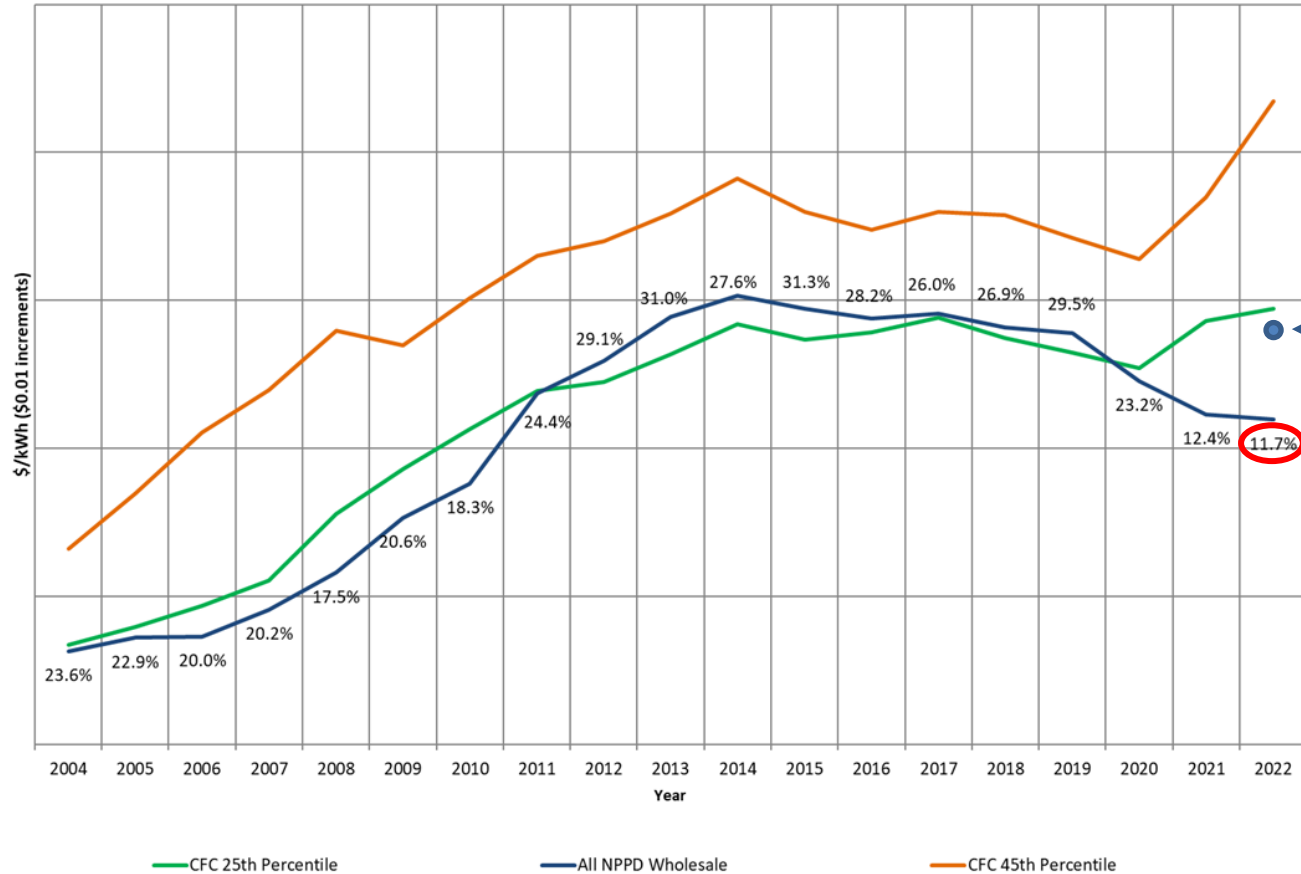


Board Strategic Directive

- BP-SD-04, Cost Competitiveness
 - The District's standard shall be to achieve and maintain wholesale* rates in the best quartile of the CFC KRTA Ratio 88 "Cost per kWh Purchased" annual survey
- 2016 Wholesale Power Contract (WPC) Performance Standard
 - If rates exceed the 45th percentile, the WPC has exit provisions for customers

CFC Survey (Ratio 88)

Purchased Power Cost per kWh (Including Transmission and PCA)



22.9% without the PCA credit

CFC Results for 2022

- Met the Strategic Destination goal of providing best quartile rates
- NPPD's average annual wholesale power cost decreased 0.7% from 2021 to 2022
- CFC 25th percentile increased 1.4% over same time period while the 45th percentile increased 9.7%
- According to the Energy Information Administration (EIA), extreme weather, compounded by natural gas and coal constraints, resulted in higher and more volatile wholesale electric prices in 2022



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Questions

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