



THE POWER OF PEOPLE



# Financial Performance Results January and February 2024

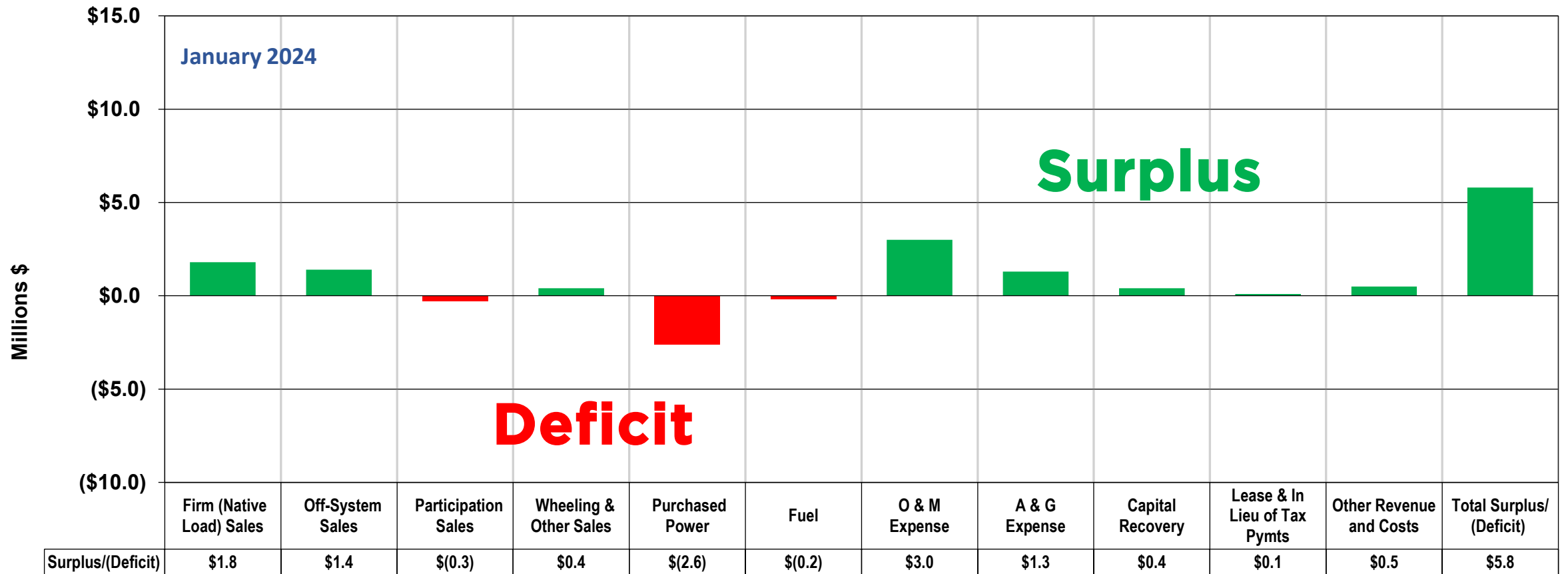
NPPD Board of Directors Meeting  
Customer & Support Services  
Committee & Board  
April 2024

Joni Davis, Accounting Manager



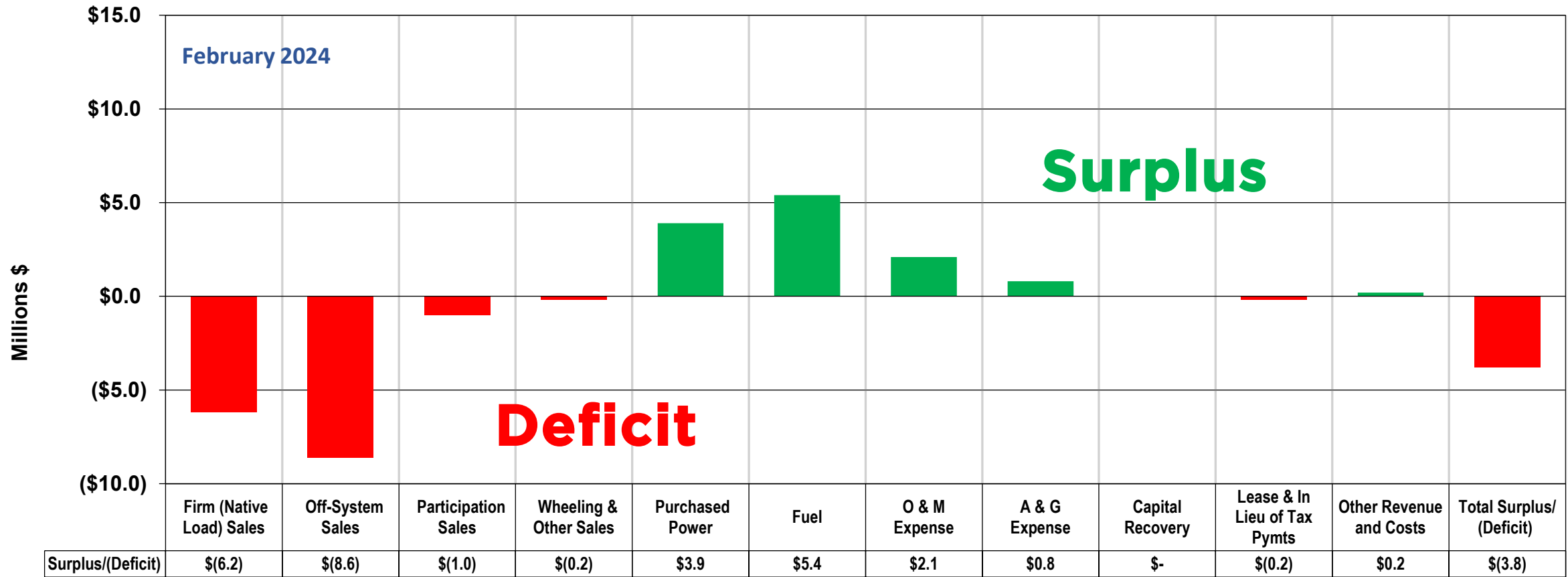
Nebraska Public Power District  
*Always there when you need us*

**Cold weather favorably impacted revenues but fossil station outages and high natural gas prices resulted in higher purchased power costs; favorable O&M variance due primarily to differences in when costs were budgeted and incurred**



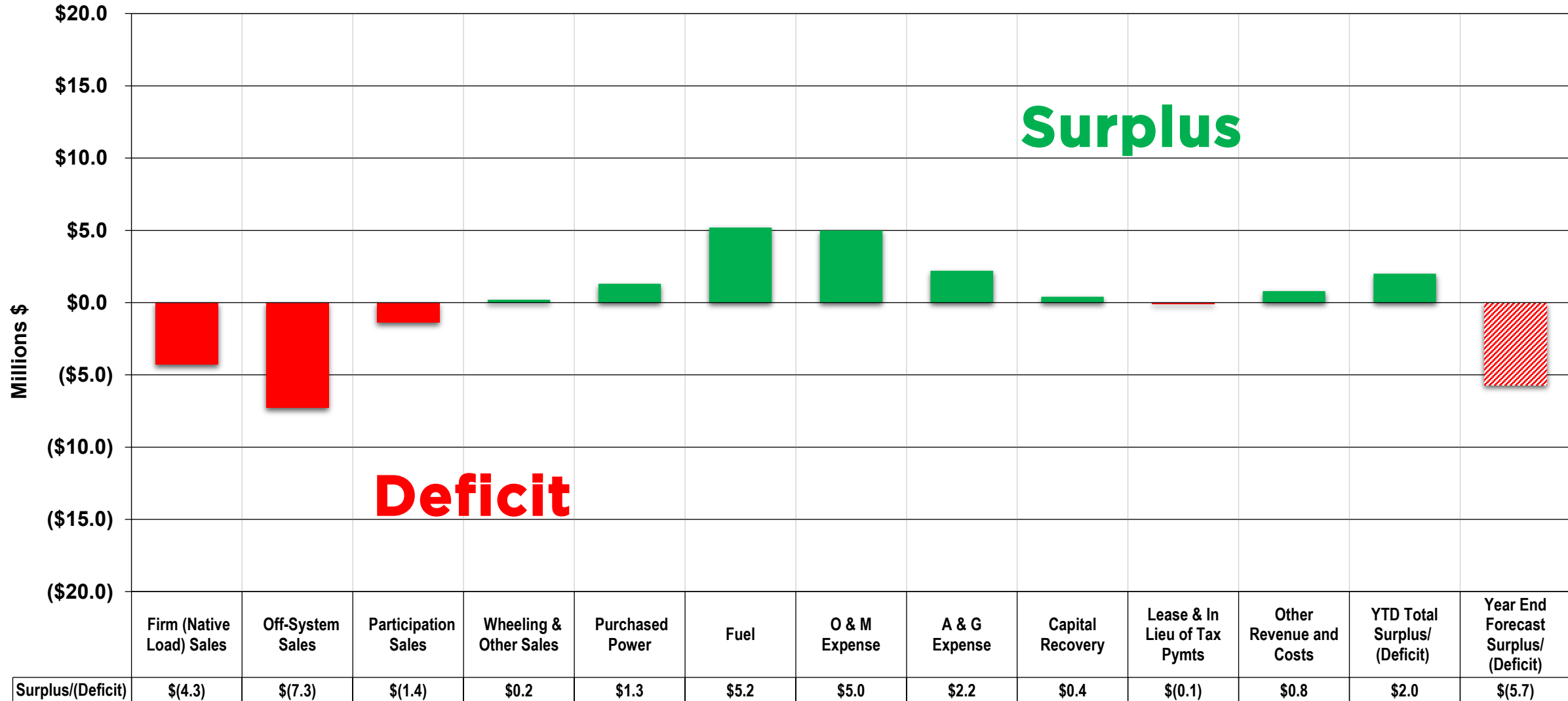
**Lines and bars in green are favorable, while lines and bars in red are unfavorable.**

# Mild weather unfavorably impacted revenues but favorably impacted purchased power and fuel



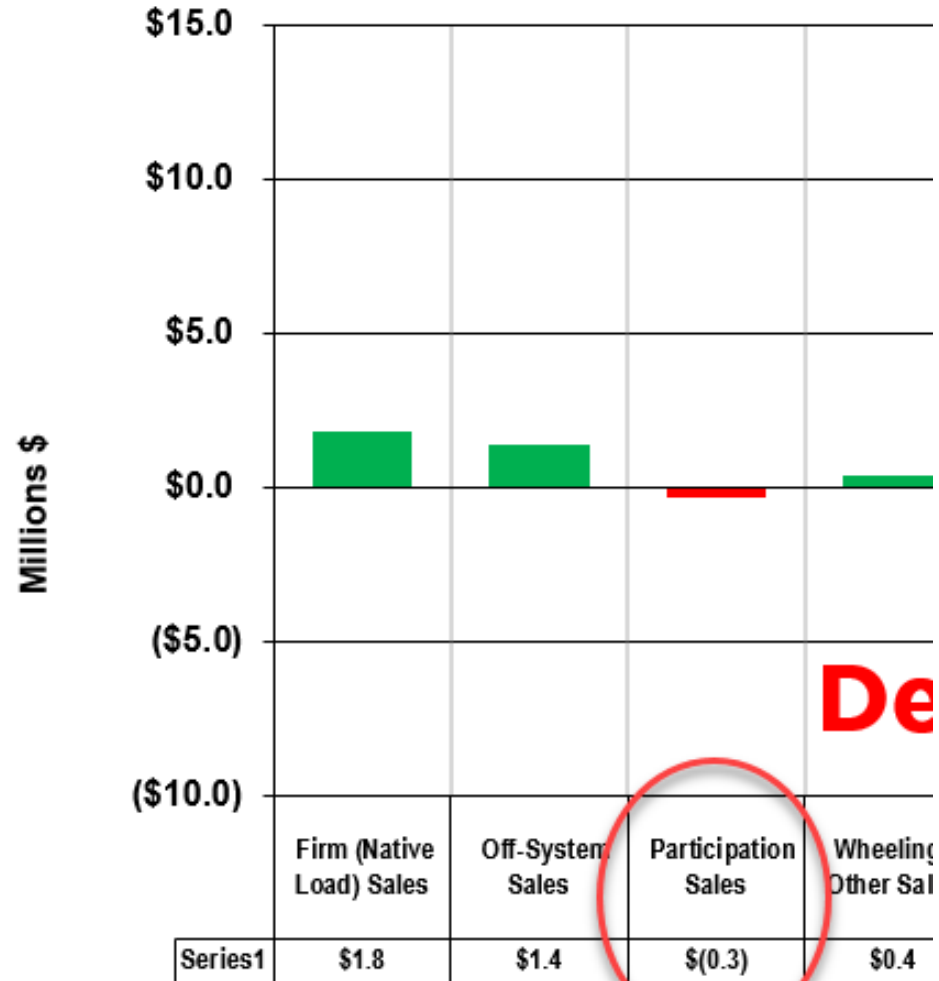
**Lines and bars in green are favorable, while lines and bars in red are unfavorable.**

# YTD February 2024 surplus due primarily to favorable expense variances, which were slightly offset by unfavorable revenue variances; Forecasted deficit due primarily to lower-than-expected revenues



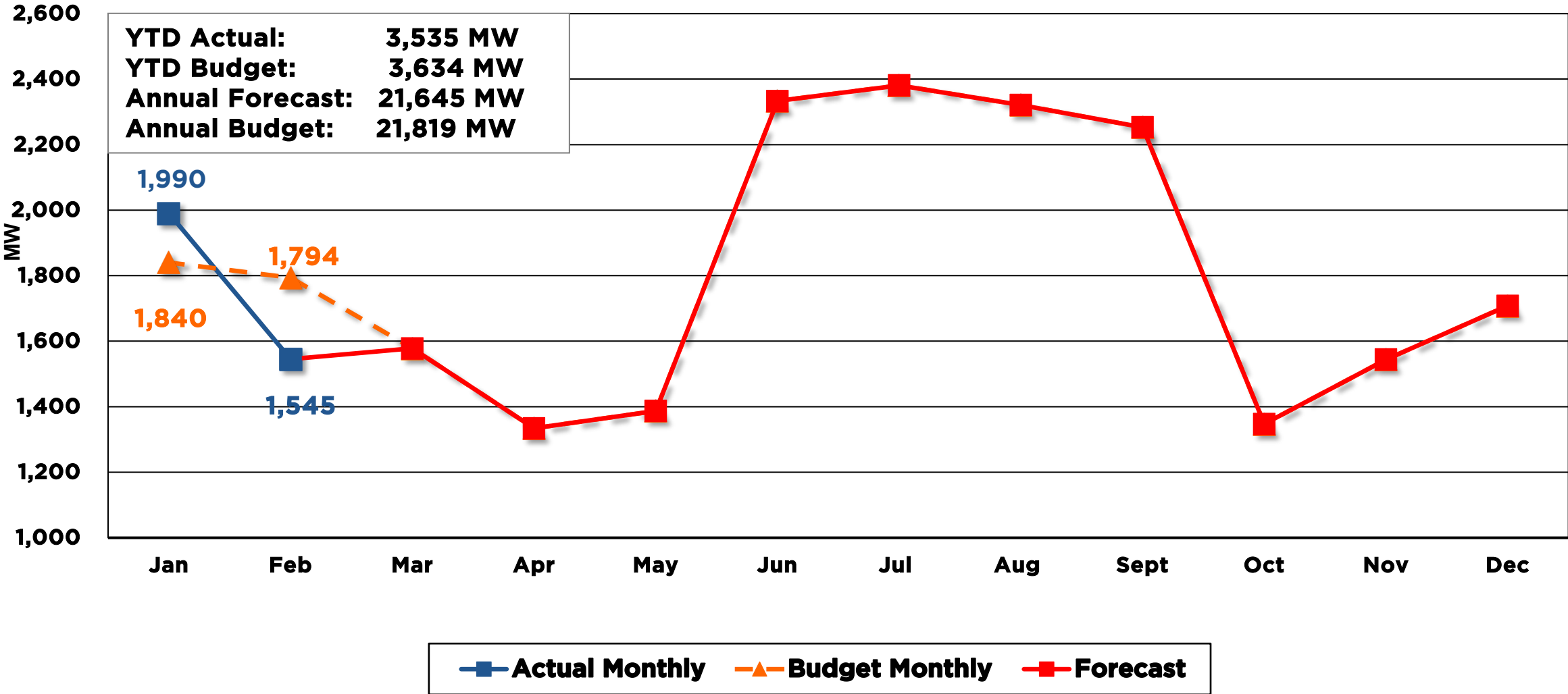
Lines and bars in green are favorable, while lines and bars in red are unfavorable.

# What is included in Participation Sales?

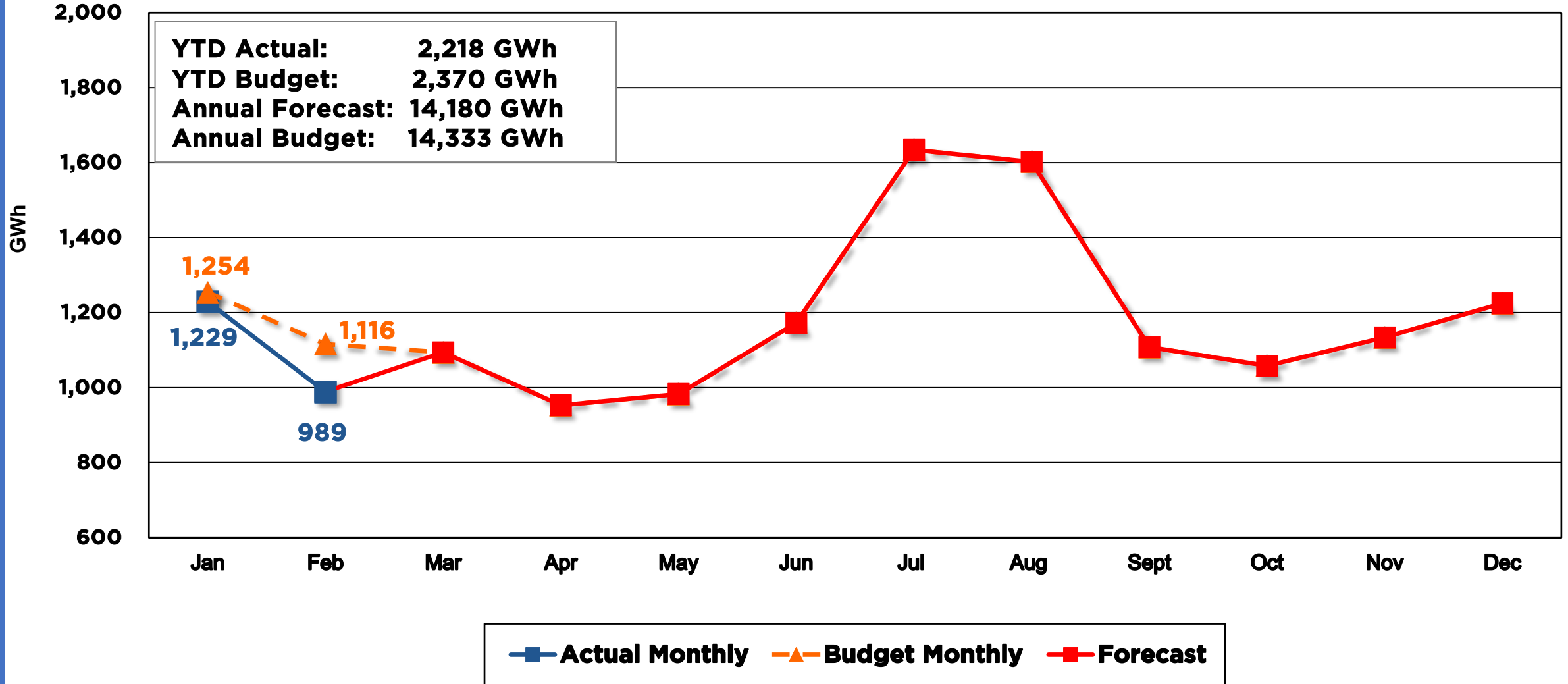


- **Participation Sales encompass sales agreements with other utilities for the sale of capacity and energy at wholesale from specific generating resources.**
- **Participation Sales contracts include agreements with the following utilities: City of Lincoln, Omaha Public Power District, Grand Island Utilities, and Municipal Energy Agency of Nebraska (MEAN).**
- **The District also sells capacity and energy on a nonfirm basis in SPP and through transactions executed with other utilities by The Energy Authority.**
- **2024 Participation Sales budget was \$56.3 million, or about 5% of the budget for operating revenues.**

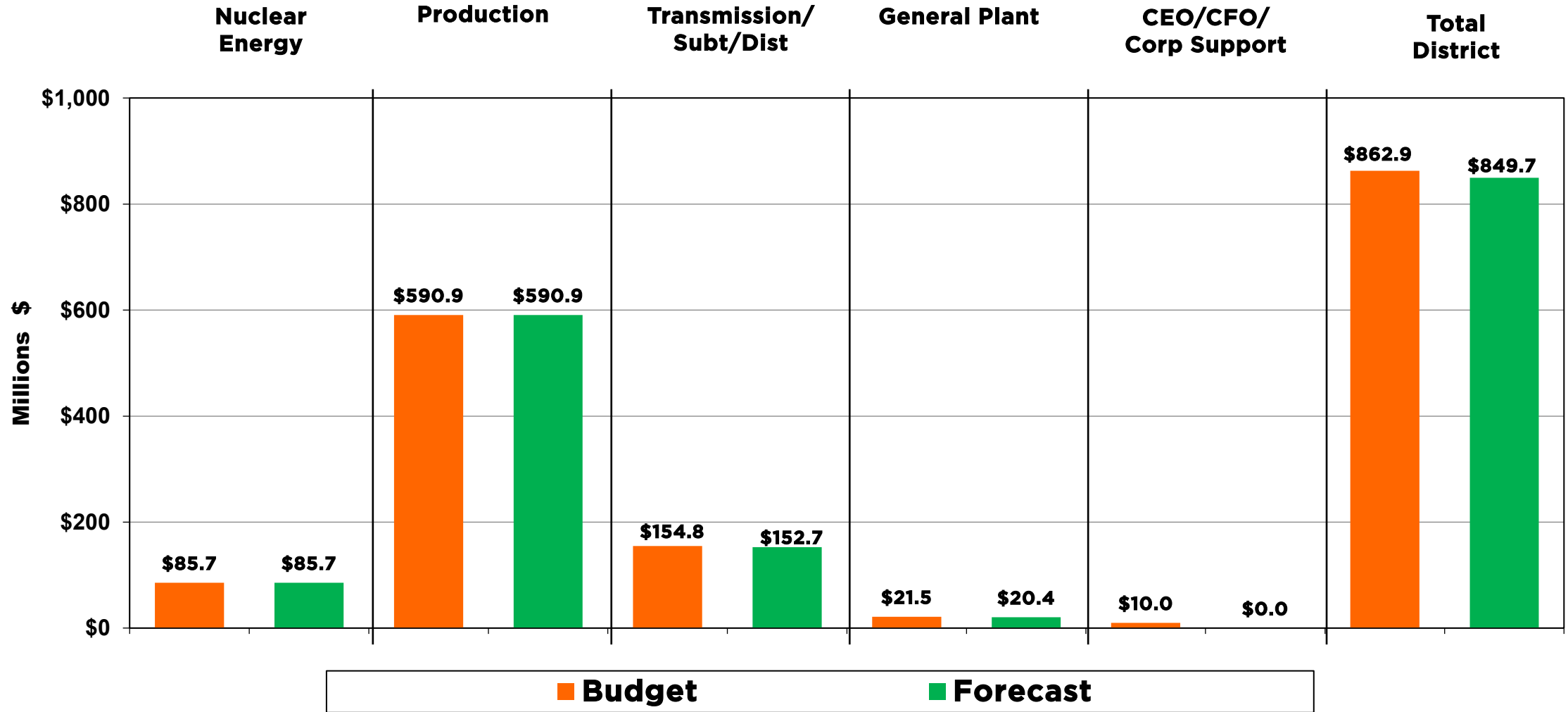
# Native load demand billing units were above budget for January and below budget for February due to contrasting weather conditions



# January native load energy sales were near budget; February energy sales were under budget due primarily to mild weather conditions

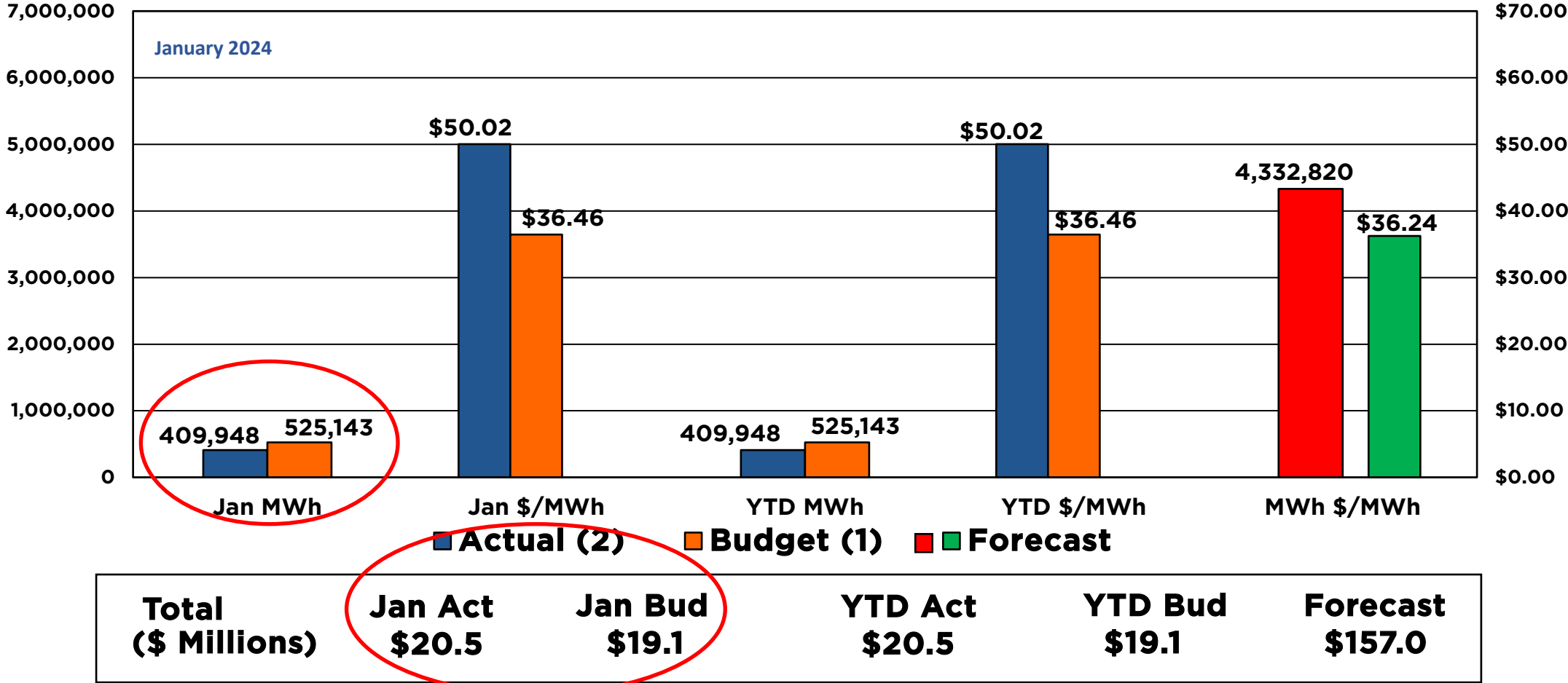


# Capital forecasted to be slightly under budget for 2024



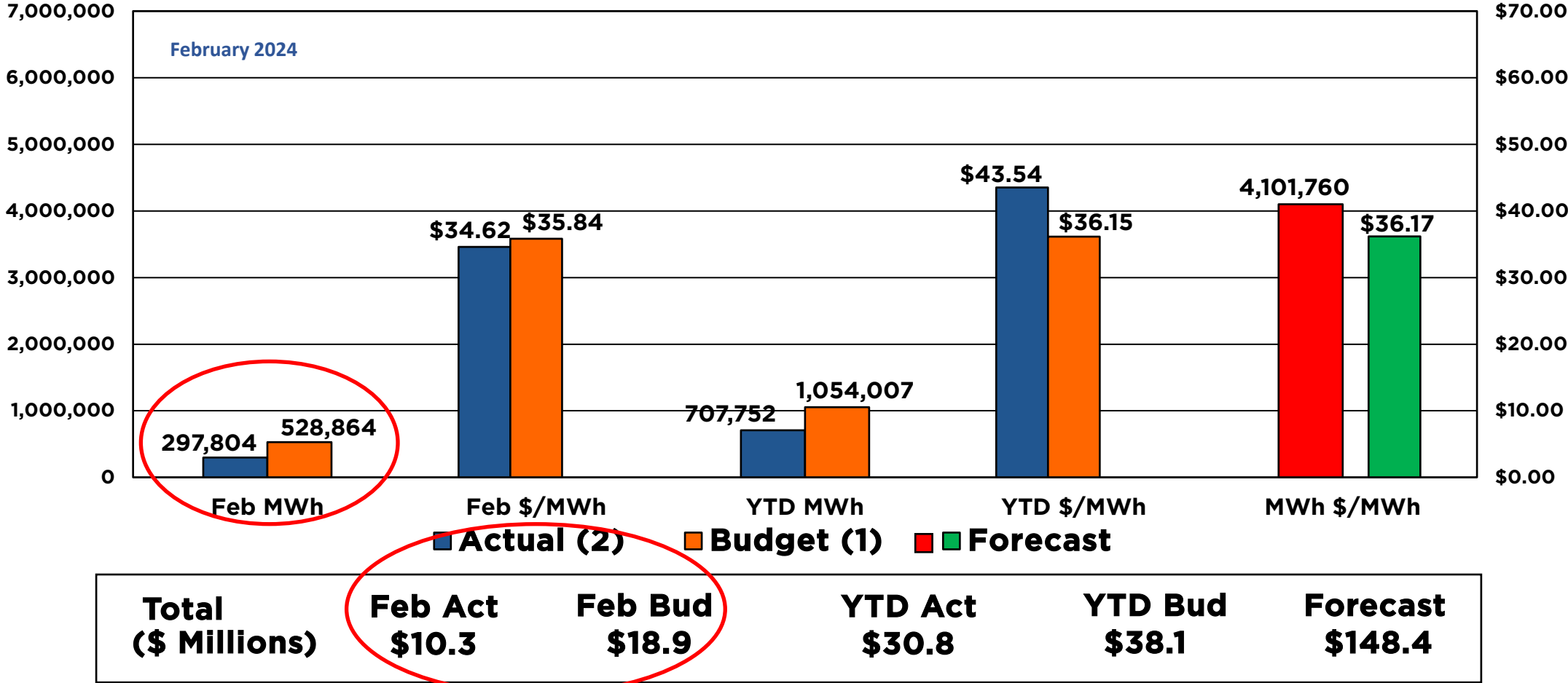


# Off-system energy revenues were more than budget for January due primarily to higher SPP market prices because of higher natural gas prices, less wind generation, and higher loads



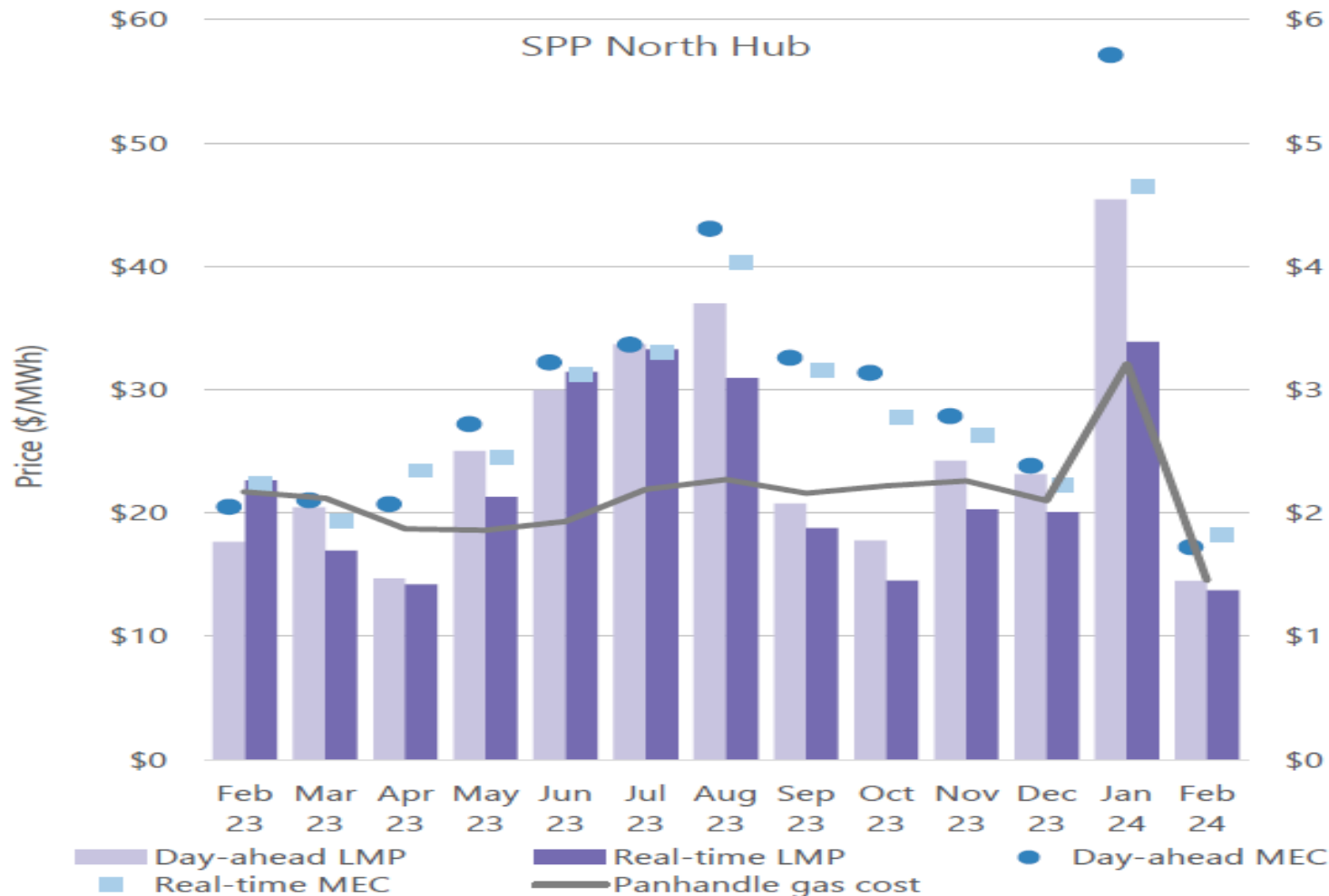
(1) 2024 Budgeted Market Energy Sales of 4,448,015 MWh at an annual average \$/MWh of \$34.99, for an annual budget of \$155.6 million.  
 (2) Non-energy transactions, like Auction Revenue Rights/Transmission Congestion Rights, skew the \$/MWh.

# Off-system energy sales and revenues were lower than budget for February due to lower SPP market prices because of lower natural gas prices and loads and higher wind generation



(1) 2024 Budgeted Market Energy Sales of 4,448,015 MWh at an annual average \$/MWh of \$34.99, for an annual budget of \$155.6 million.  
 (2) Non-energy transactions, like Auction Revenue Rights/Transmission Congestion Rights, skew the \$/MWh.

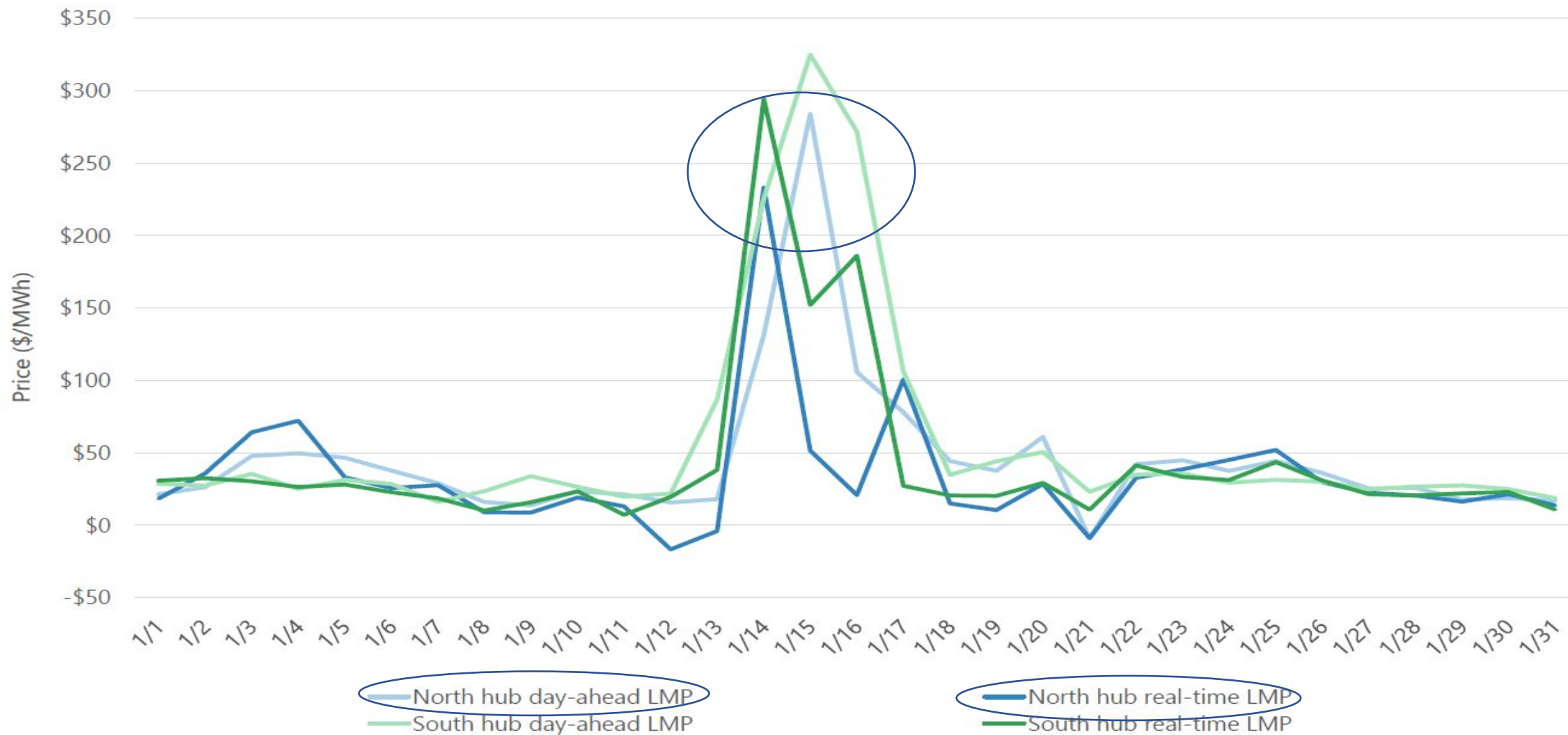
# Average SPP prices increased in January due primarily to higher natural gas prices and loads because of extreme cold temperatures; prices decreased in February due to higher wind generation and lower natural gas prices and loads



- LMP – the market-clearing price for energy at a given price node equivalent to the marginal cost of serving demand at the price node while meeting SPP operating reserve requirements is locational marginal price.
- MEC – an LMP component representing marginal energy cost.
- Panhandle Gas is a main natural gas hub for SPP gas units. SPP prices are highly correlated to gas costs and energy prices in general.

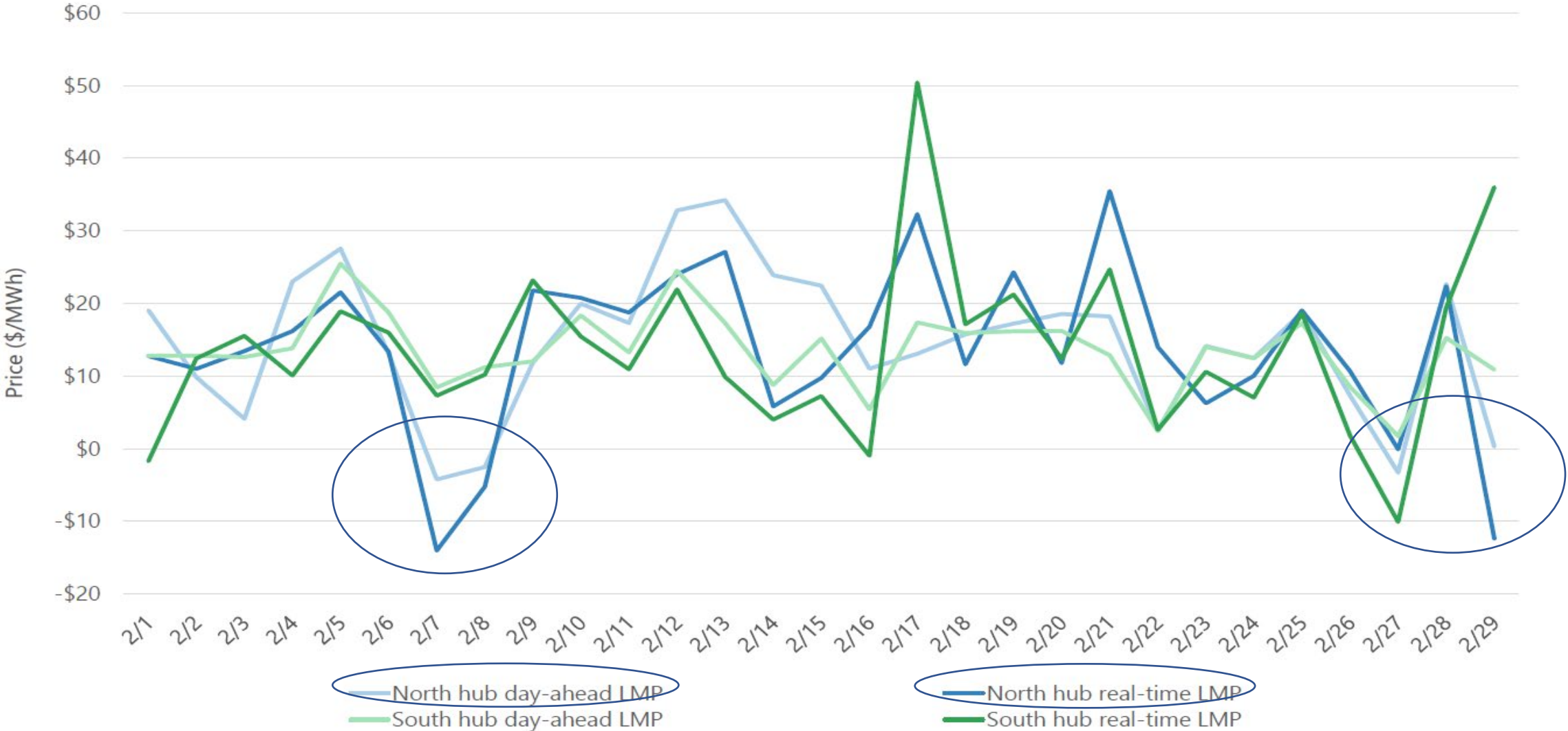
Source: SPP (Southwest Power Pool) Market Monitor Marketplace Update, February 2024. ARR/TCR Revenues are NOT included in these prices.

# January high prices or “spikes” due primarily to extreme cold weather temperatures between January 13 - 17



Source: SPP Market Monitor Marketplace Update, January 2024

# February low prices or “dips” due primarily to mild temperatures coupled with high winds



Source: SPP Market Monitor Marketplace Update, February 2024

# Updated forecast resulted in lower projection for year-end Rate Stabilization Fund balance

(Millions of Dollars)

	Rate Stabilization Funds 12/31/2023 <sup>1</sup>	2024 Activity		Projected Rate Stabilization Funds 12/31/2024
		Refund Or Used for Revenue Requirements	Forecasted 2024 Surplus/ (Deficit) <sup>2</sup>	
Production	\$ 173.7	\$ (59.9)	\$ (8.4)	\$ 105.4
Transmission	30.6	(3.0)	2.0	29.6
<b>Sub-Total Wholesale</b>	<b>204.3</b>	<b>(62.9)</b>	<b>(6.4)</b>	<b>135.0</b>
<b>Retail</b>	<b>54.0</b>	<b>(4.8)</b>	<b>0.7</b>	<b>49.9</b>
<b>Total</b>	<b>\$ 258.3</b>	<b>\$ (67.7)</b>	<b>\$ (5.7)</b>	<b>\$ 184.9</b>

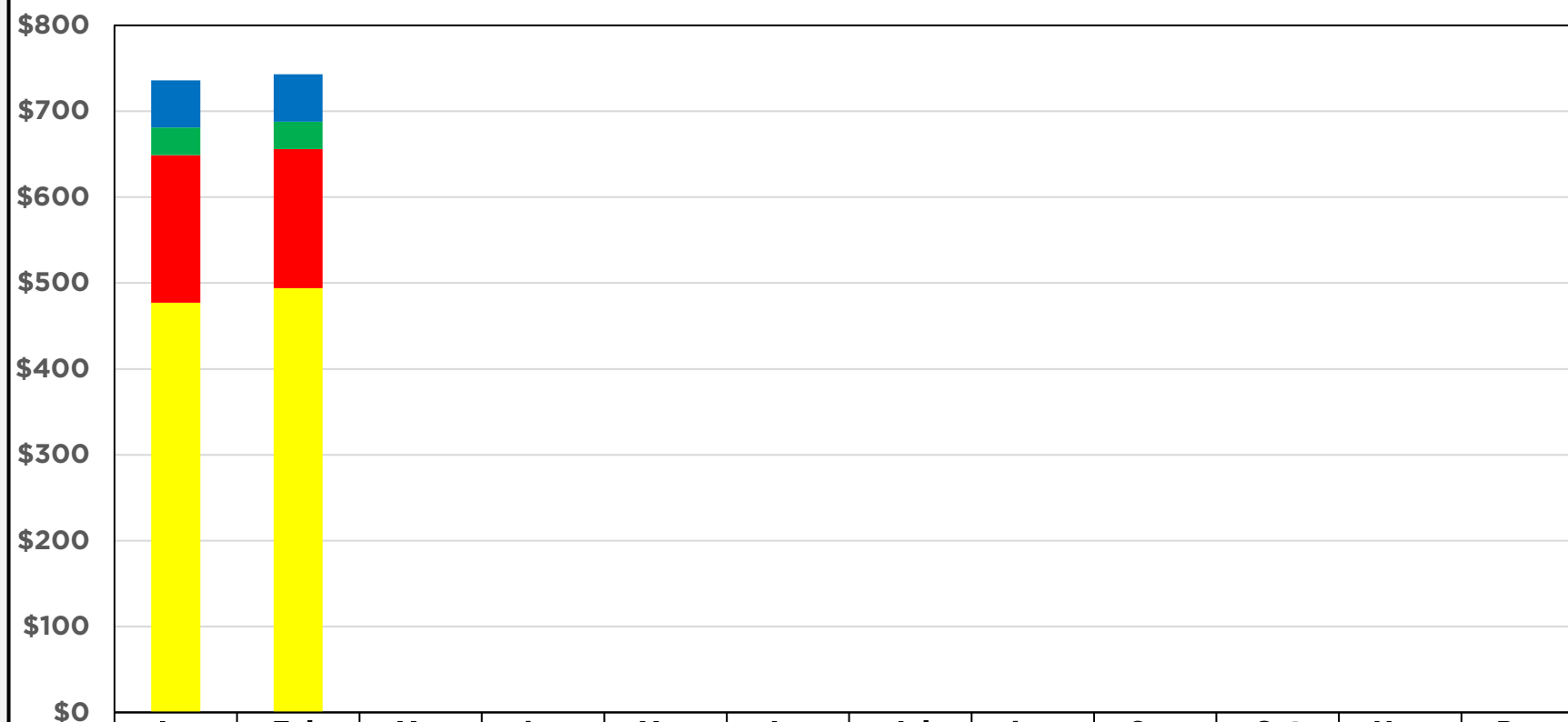
1 - Rate Stabilization Funds at 12/31/2023 are unaudited.

2 - Includes 2 months Actual, 10 months Forecast.

# February 2024 ending cash balance slightly higher than the balance at the end of December 2023 and January 2024 (\$ in Millions)

## What's included in Cash - Other?

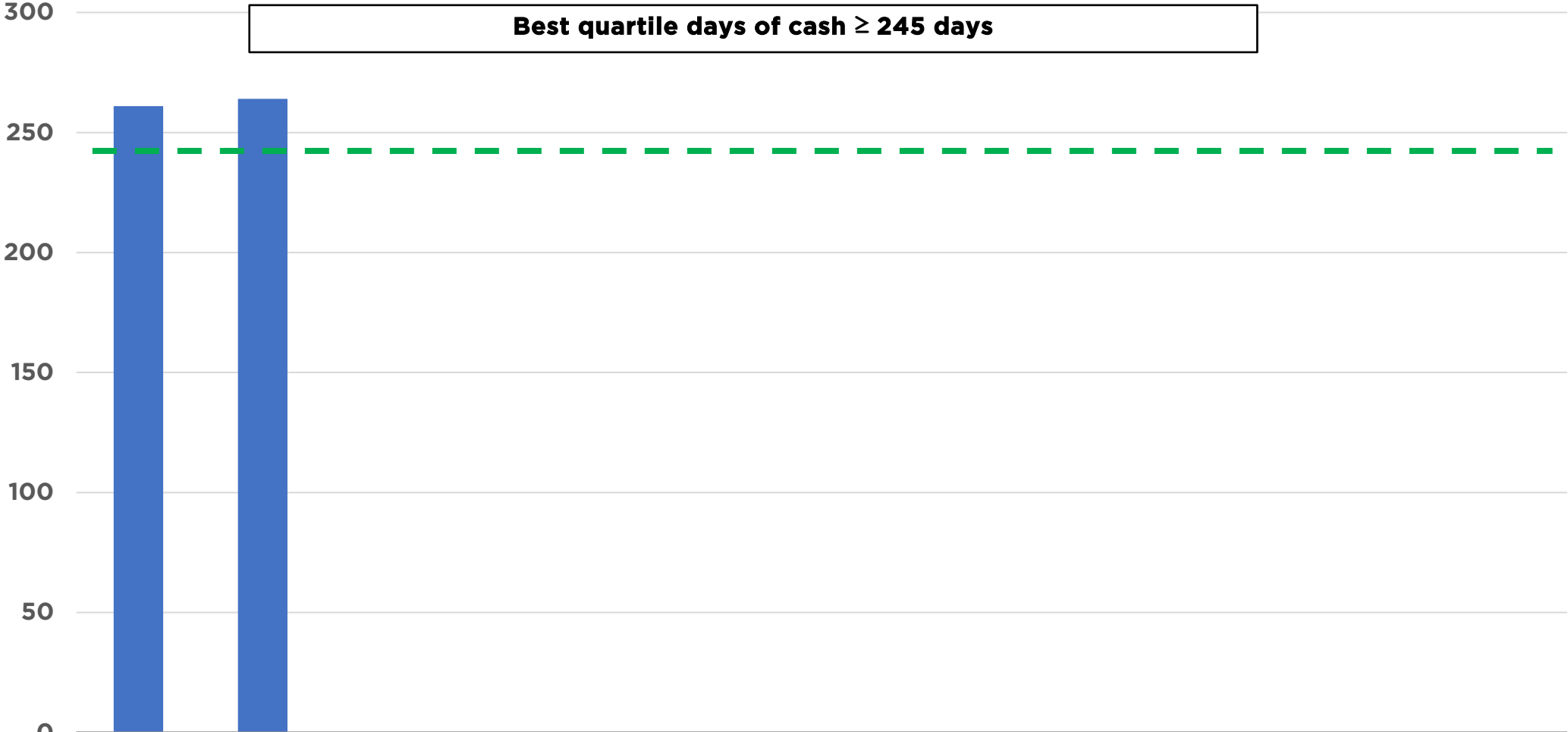
- Funds for Operating Activities
- Funds for Construction from Revenue Projects
- Funds for Non-Nuclear Decommissioning
- Funds from Settlements for Offset of Future Costs
- CNS Collections for Various Purposes
- Customer and Other Deposits
- Funds Collected for Lease Payments and Taxes



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total</b>	<b>\$736</b>	<b>\$743</b>										
<b>■ Retail Rate Stabilization Fund</b>	<b>\$55</b>	<b>\$55</b>										
<b>■ Transmission Rate Stabilization Fund</b>	<b>\$32</b>	<b>\$32</b>										
<b>■ Production Rate Stabilization Fund</b>	<b>\$172</b>	<b>\$162</b>										
<b>■ Cash - Other</b>	<b>\$477</b>	<b>\$494</b>										

Cash balance was \$731 million as of December 31, 2023.

**Best quartile days of cash lower from prior year based on benchmarking; Days of Cash lower at end of January and February 2024 compared to end of December 2023 because of higher average daily O&M spend due primarily to CNS outage**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
■ Avg Days of Cash	261	264										

**2023 Metric - Best quartile days of cash  $\geq$  273 days. 2023 average daily O&M spend was \$2.4 million. Days of Cash were 301 days as of December 31, 2023.**

**2024 Budgeted average daily O&M spend is \$2.8 million.**





# THE POWER OF PEOPLE



## Questions

Stay connected with us.



**Nebraska Public Power District**

*Always there when you need us*