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Wholesale Cost Competitiveness Strategic Directive BP-SD-04 Annual Review CFC Results for 2023

NPPD Board of Directors Meeting
August 2024

Amber Smeal, Pricing & Rates Project Lead



Nebraska Public Power District

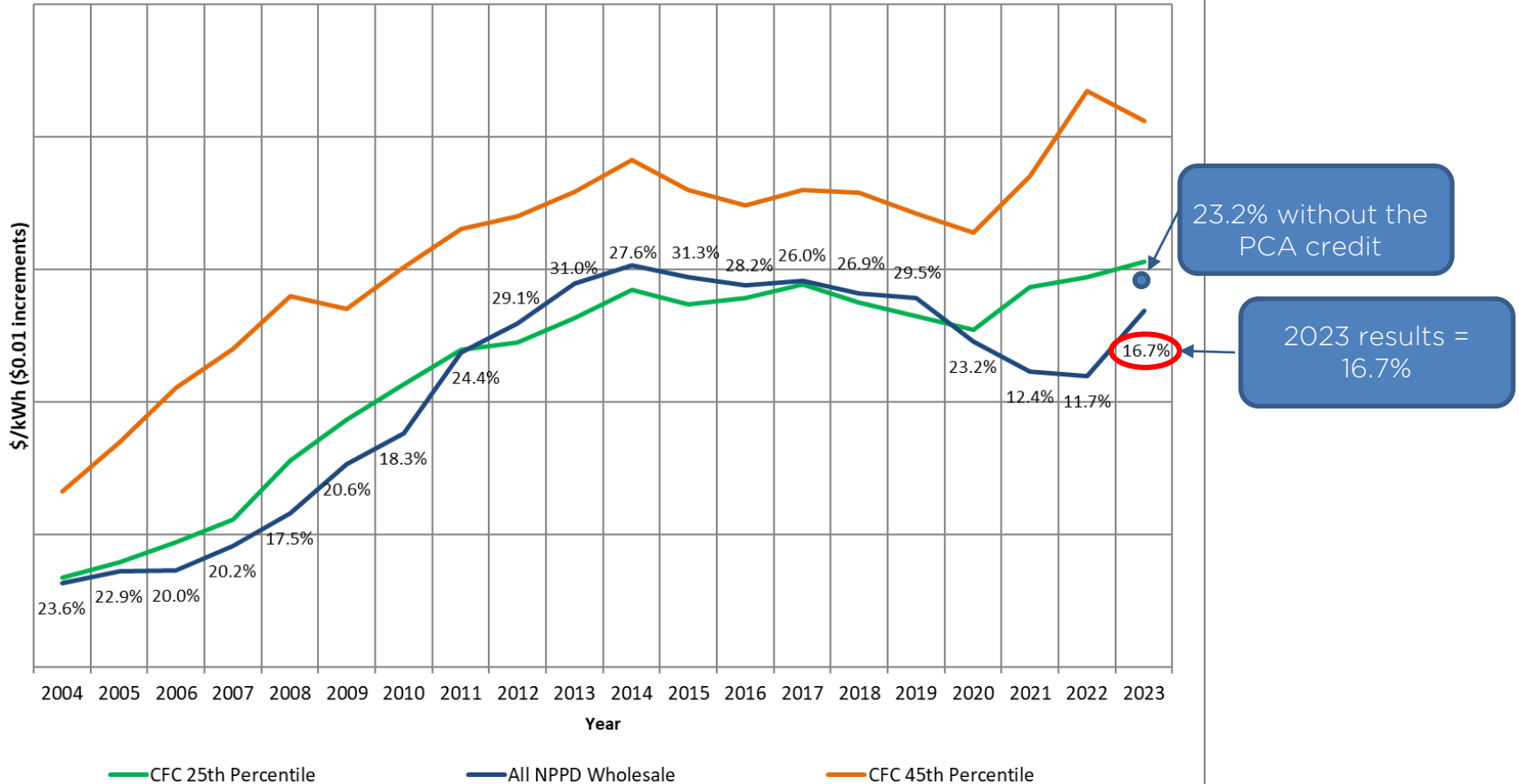
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Board Strategic Directive

- 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)



CFC Results for 2023

- Met the Strategic Destination goal of providing best quartile rates
- NPPD's average annual wholesale power cost increased in 2023 due to \$42M less in PCA credits and a 4% reduction in native load sales compared to 2022
- Increase in CFC 25th percentile believed to be due to rate pressures such as cost of purchased power, inflation, and supply chain
- Decrease in CFC 45th percentile believed to be due to lower natural gas prices



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Questions

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