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## Financial Performance Results May and June 2024

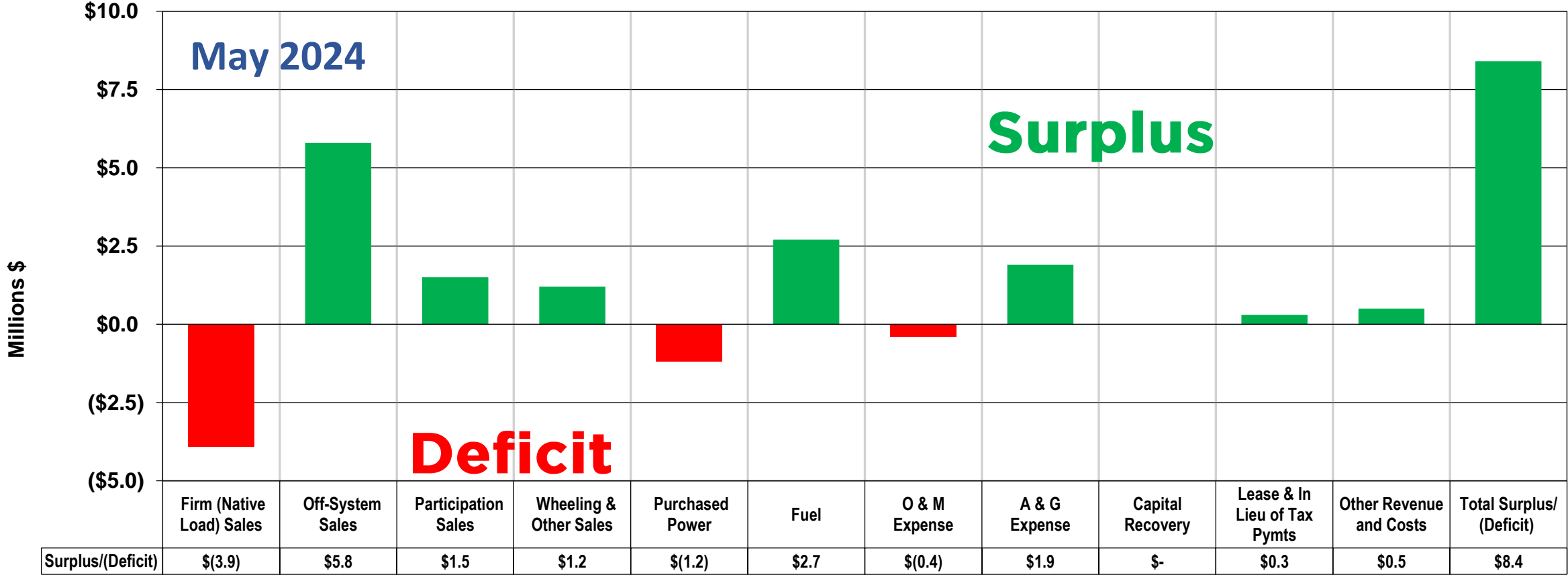
NPPD Board of Directors Meeting  
Customer & Support Services  
Committee & Board  
August 2024

Meghan Matteson, Controller



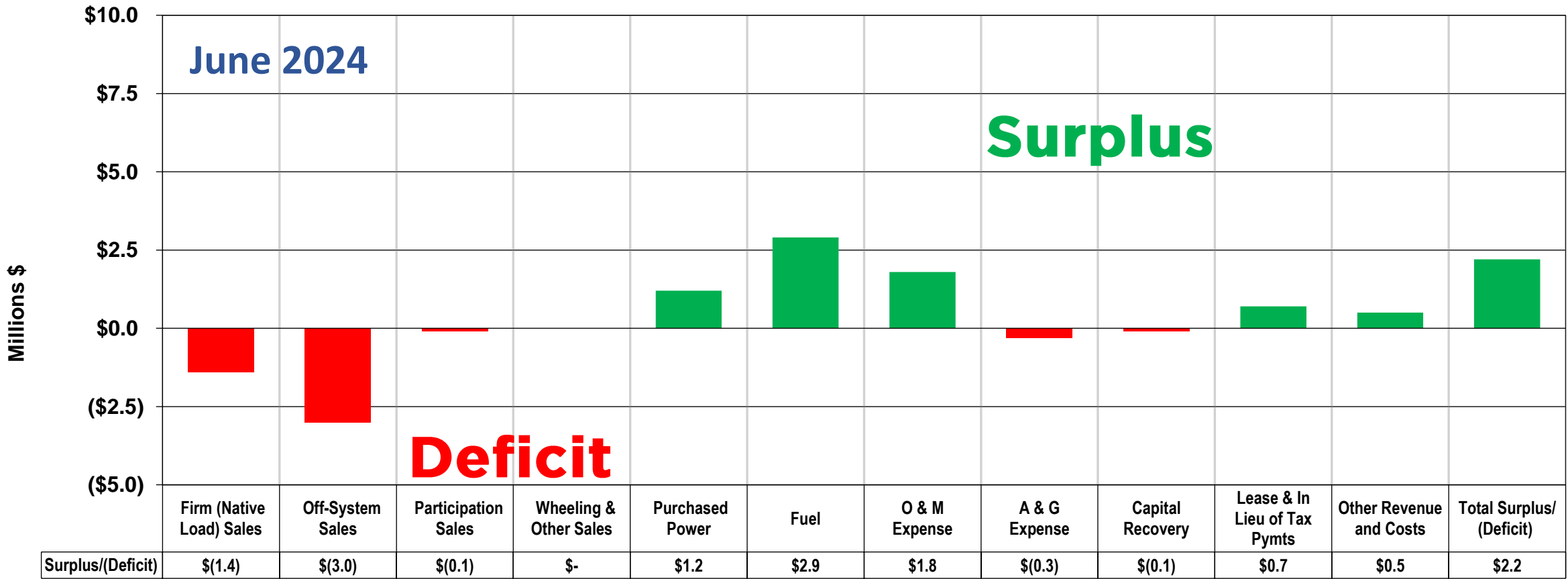
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# Surplus due primarily to favorable variances for off-system sales and fuel, partially offset by lower-than-expected firm sales



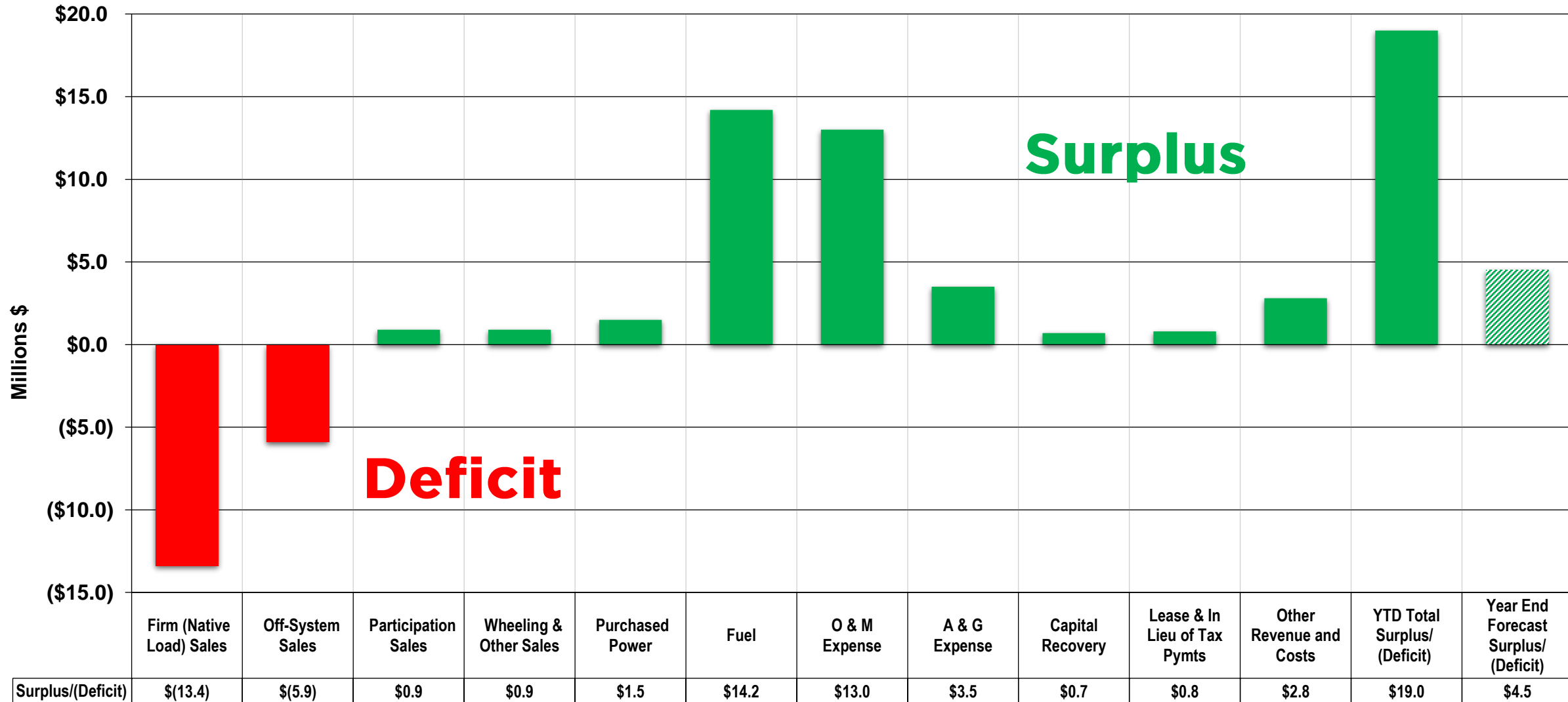
Lines and bars in green are favorable, while lines and bars in red are unfavorable.

# Surplus due primarily to favorable variances for purchased power, fuel, and O&M expenses partially offset by lower-than-expected off-system and firm sales



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

# YTD June 2024 surplus due to favorable cost variances offset by unfavorable variances for firm and off-system sales; the forecasted surplus is less than the YTD surplus due to the expected incurrence of additional expenses in 2024



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

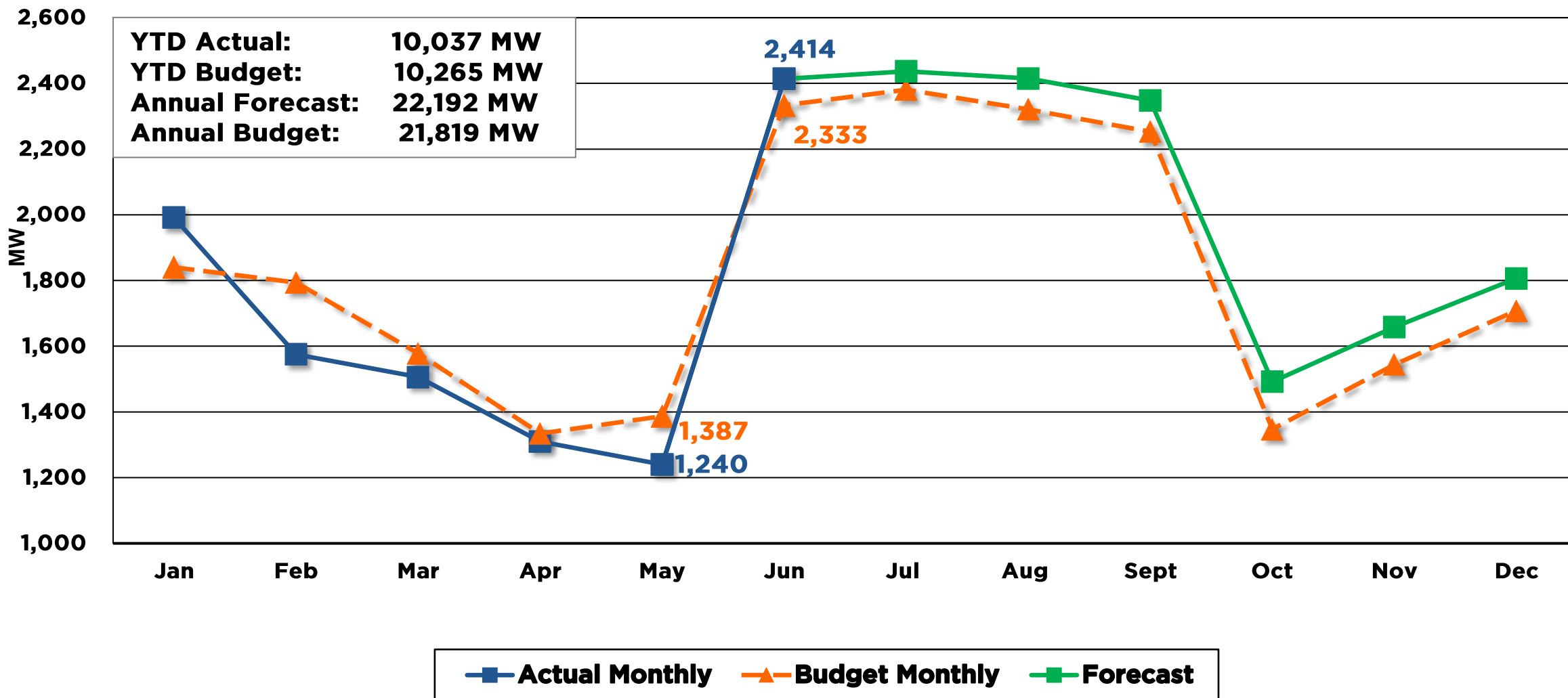
# What is included in Fuel?



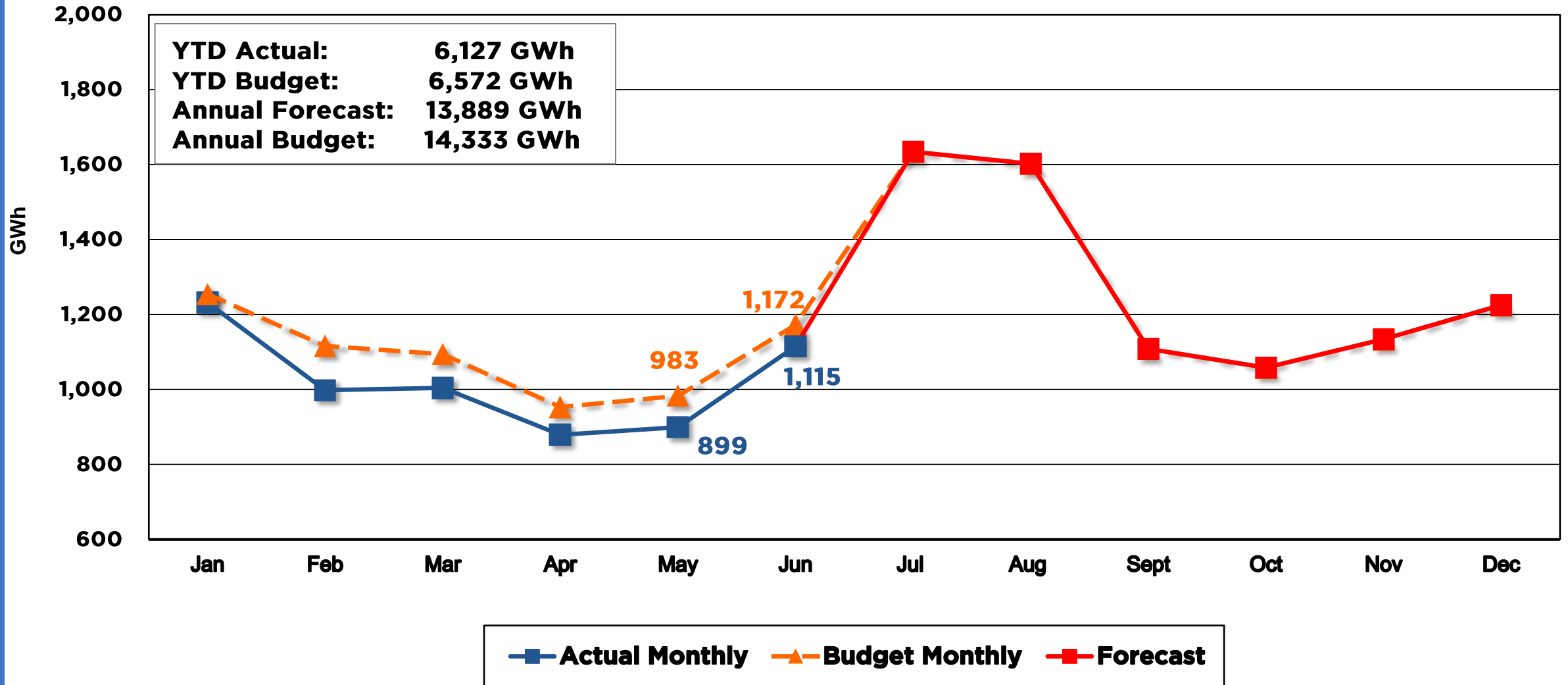
- Fuel expenses include the costs of fuels (and related fuel costs) used for generating electricity from the District's diverse generating sources including:

- Coal
- Natural Gas
- Nuclear
- Fuel Oil

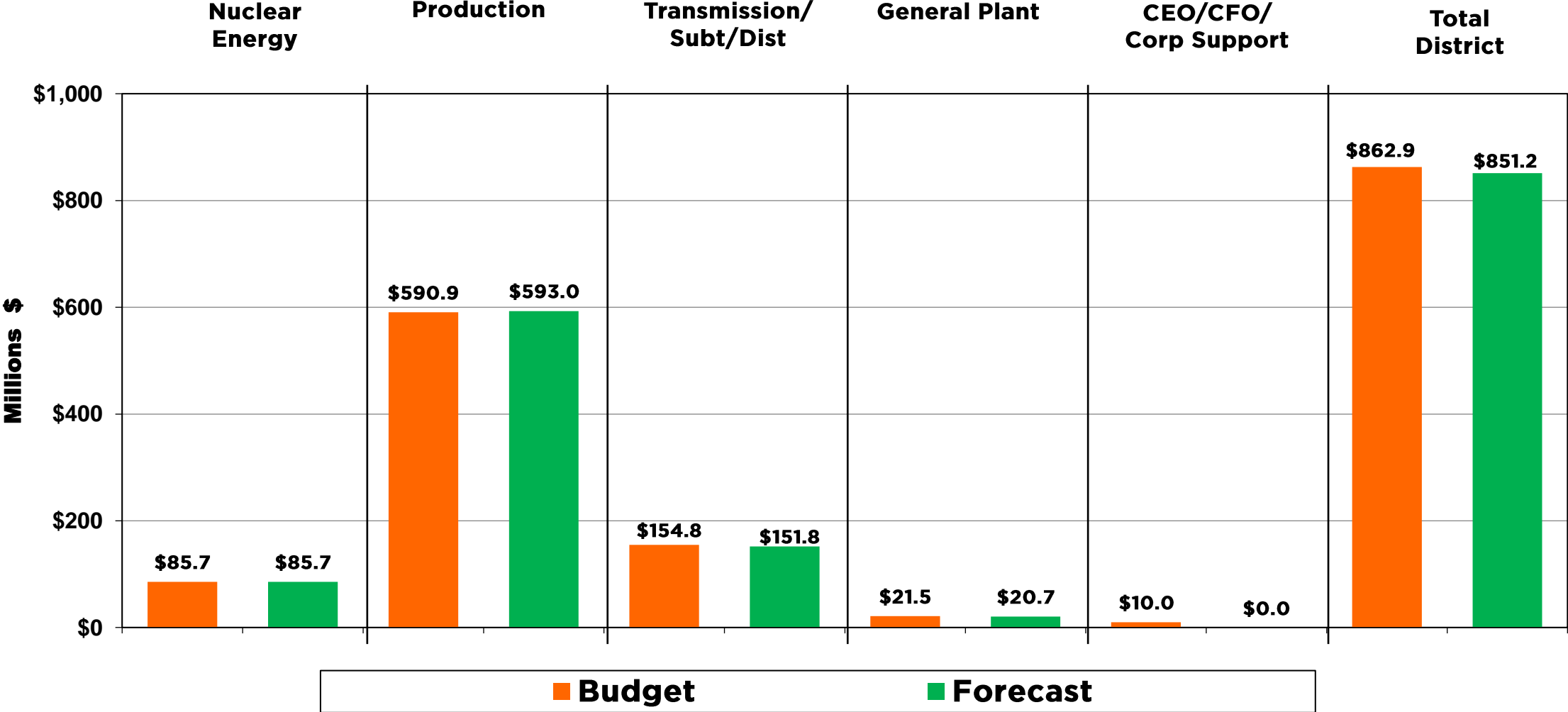
# Native load demand billing units continued to be below budget for May due to mild weather conditions, but improved with June as summer demand ramped up



# Native load energy sales were under budget for May and June due to mild weather conditions and lower than expected industrial sales

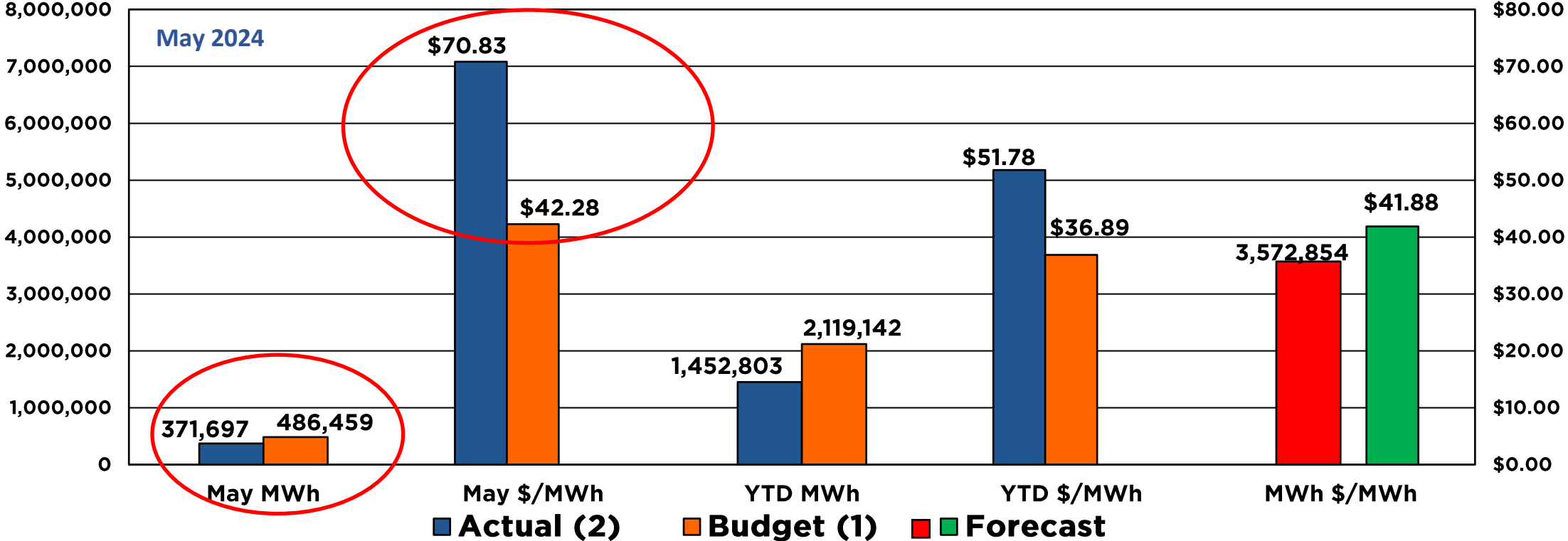


# June 2024 Capital Budgets forecasted to be slightly under budget





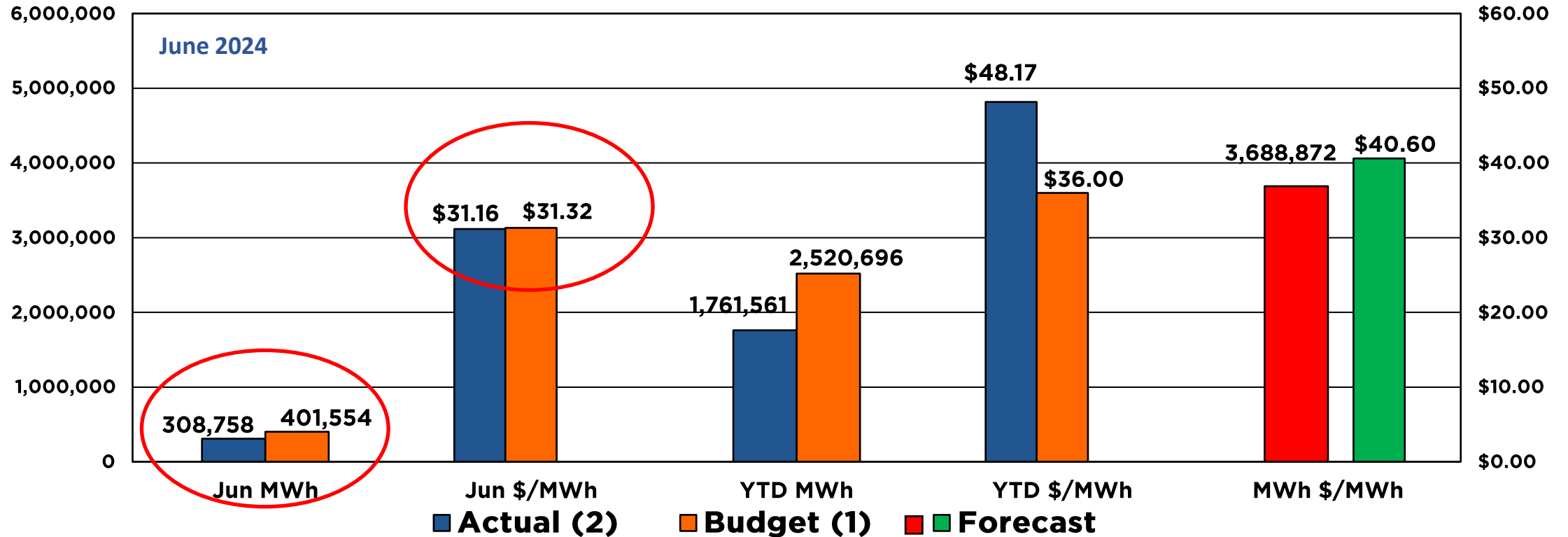
Off-system energy sales lower than budget for May, but higher average revenues/MWh due to higher-than-expected ARR/TCR revenues (including revenues from annual ARR auction closeout) and selling in SPP market when prices were higher



Total (\$ Millions)	May Act	May Bud	YTD Act	YTD Bud	2024 Forecast
	\$26.3	\$20.5	\$75.2	\$78.1	\$149.6

(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.

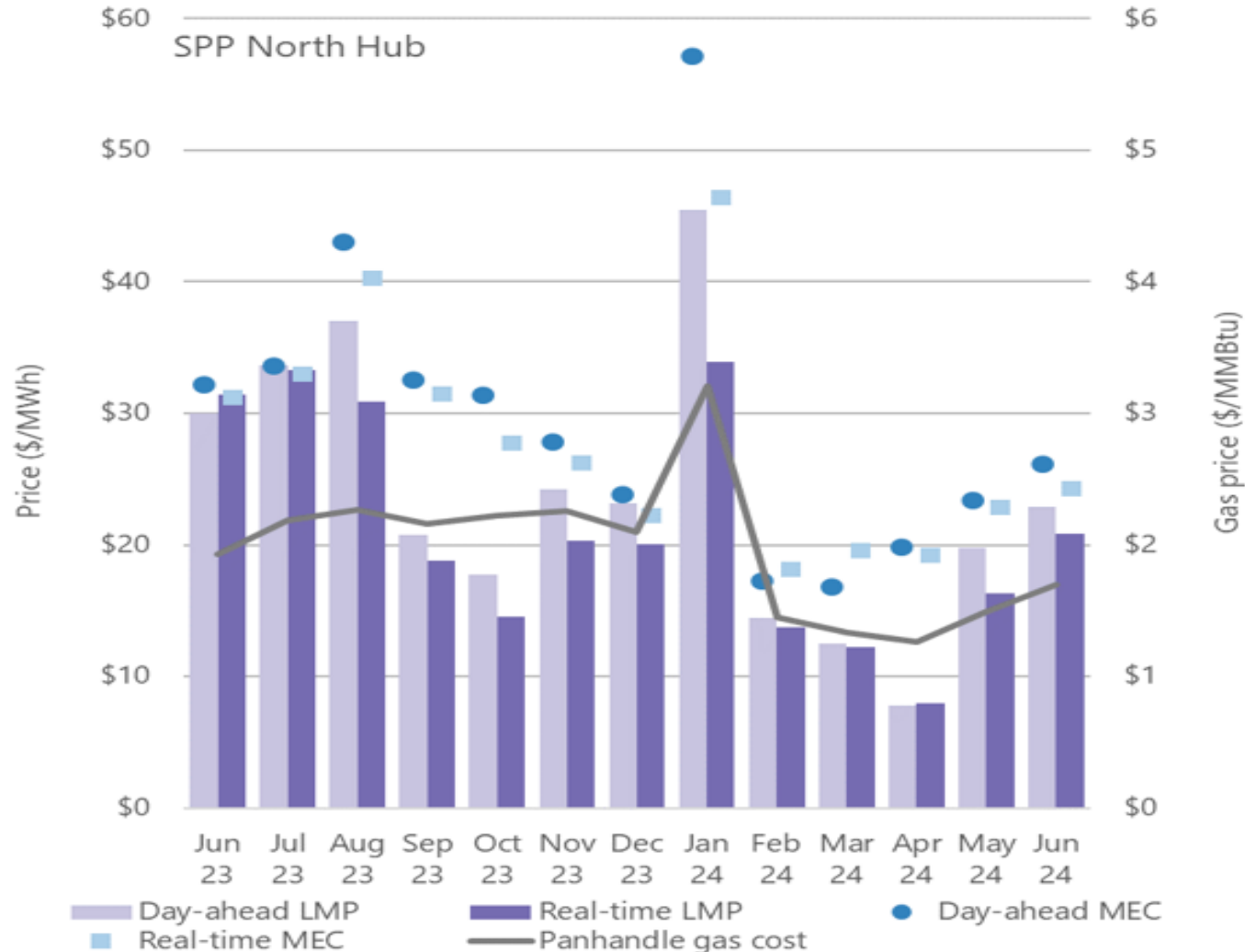
# Off-system energy sales were lower than budget, while prices/MWh were on budget for June resulting in lower revenues for the month



Total (\$ Millions)	Jun Act	Jun Bud	YTD Act	YTD Bud	2024 Forecast
	\$9.6	\$12.6	\$84.8	\$90.7	\$149.8

(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.

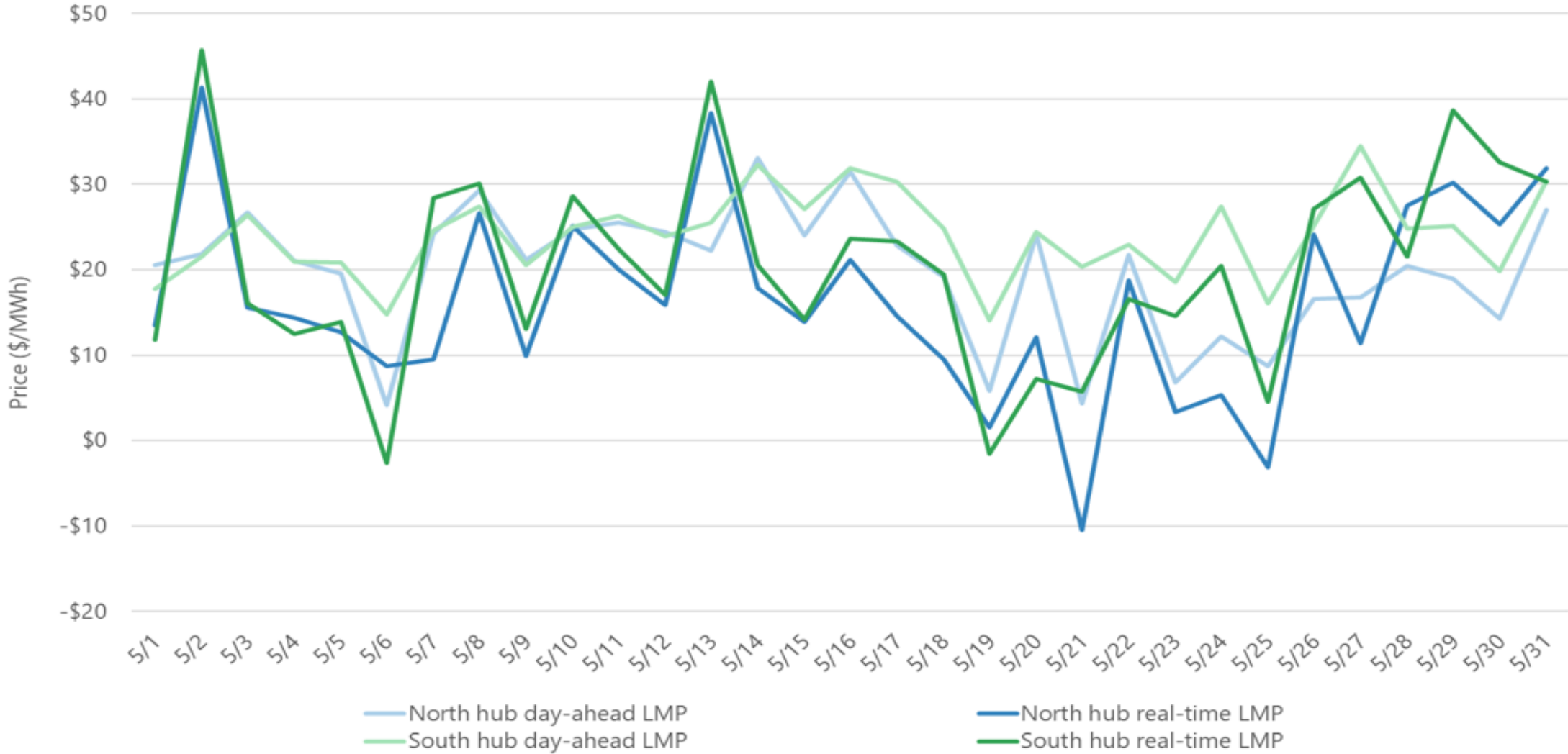
# Average SPP prices increased in May and June due to higher gas prices, improved loads, and lower wind generation; May and June average gas prices higher than April at \$1.49/MMBtu and \$1.70/MMBtu, respectively



- 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.

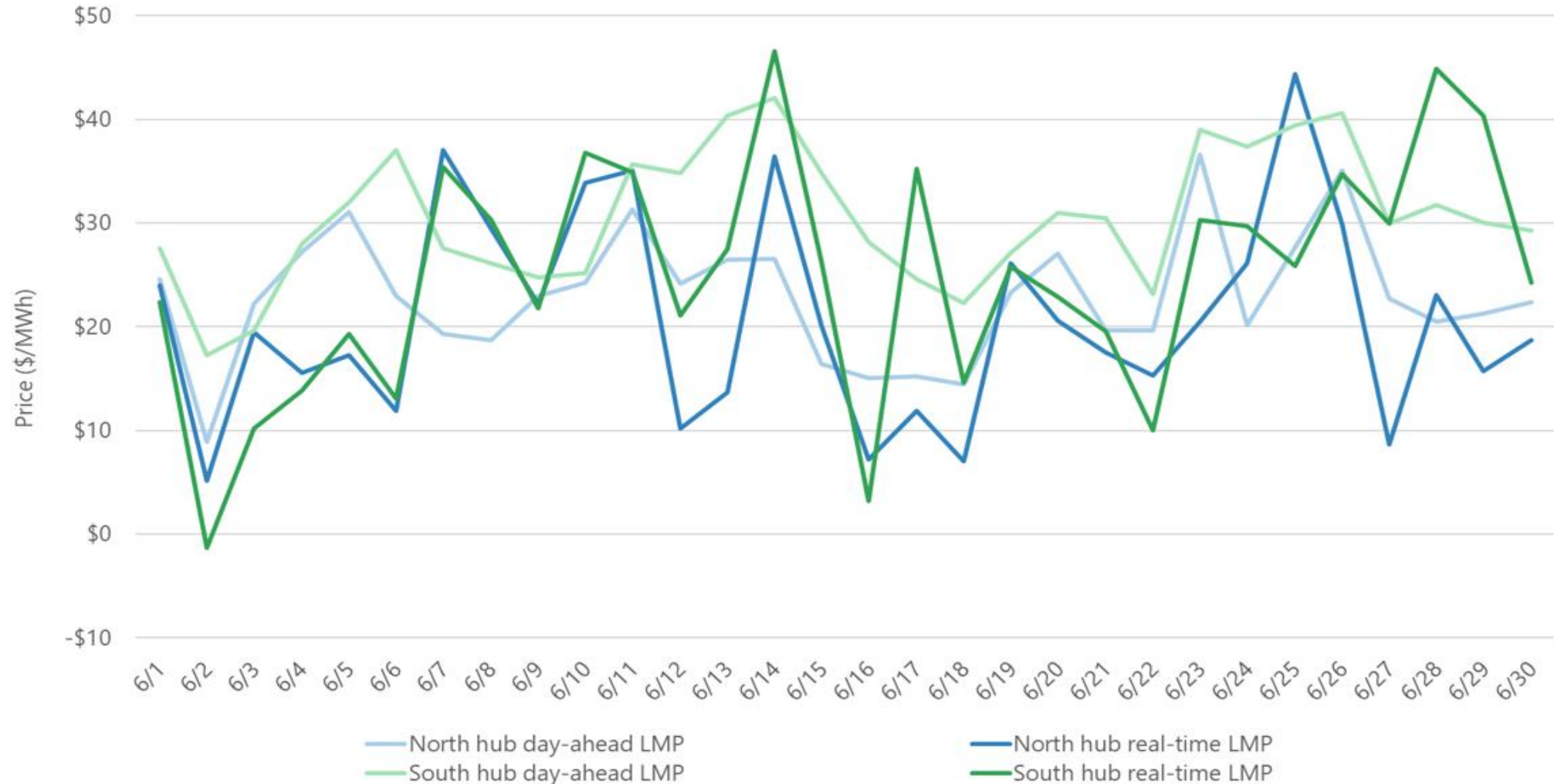
Source: SPP (Southwest Power Pool) Market Monitor Marketplace Update, June 2024. ARR/TCR Revenues are NOT included in these prices.

**May low prices or “dips” were due primarily to low SPP prices from wind generation; price spikes due to lower-than-expected wind generation**



Source: SPP Market Monitor Marketplace Update, May 2024

**June low prices or “dips” were due primarily to low SPP prices from wind generation; price spikes due to lower-than-expected wind generation as well as Day-Ahead and Real-Time price increases over previous month**



**Source: SPP Market Monitor Marketplace Update, June 2024**

# Rate Stabilization Fund balance projected to be lower at year-end due to use of funds primarily due to 2024 Production PCA

(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>	
<b>Production</b>	\$ 173.7	\$ (59.9)	\$ 0.4	\$ 114.2
<b>Transmission</b>	30.6	(3.0)	0.4	28.0
<b>Sub-Total Wholesale</b>	<u>204.3</u>	<u>(62.9)</u>	<u>0.8</u>	<u>142.2</u>
<b>Retail</b>	<u>54.0</u>	<u>(4.8)</u>	<u>3.7</u>	<u>52.9</u>
<b>Total</b>	<u>\$ 258.3</u>	<u>\$ (67.7)</u>	<u>\$ 4.5</u>	<u>\$ 195.1</u>

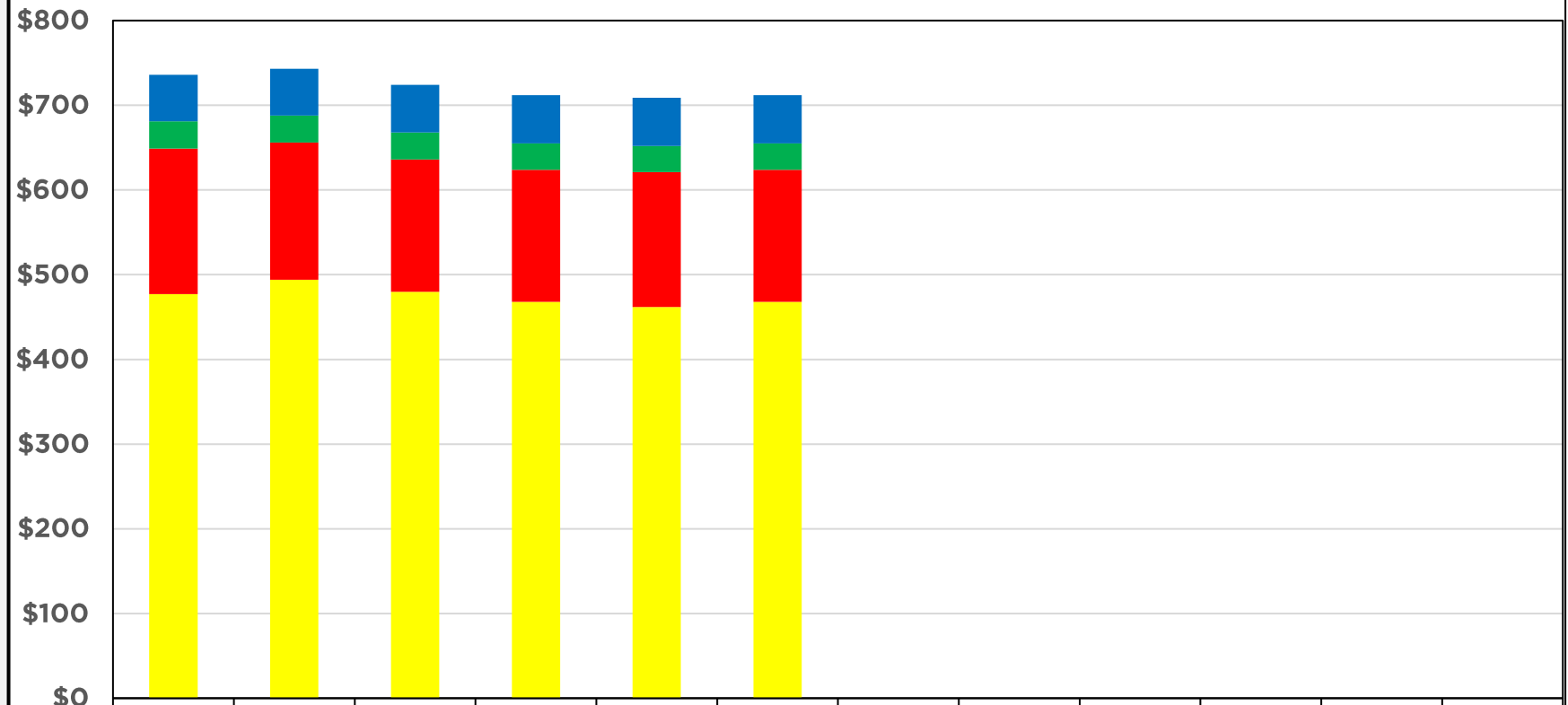
1 - Rate Stabilization Funds at 12/31/2023 are audited.

2 - Includes 6 months Actual, 6 months Forecast.

# May and June ending cash balances remain stable (\$ in Millions)

## What's included in Cash - Other?

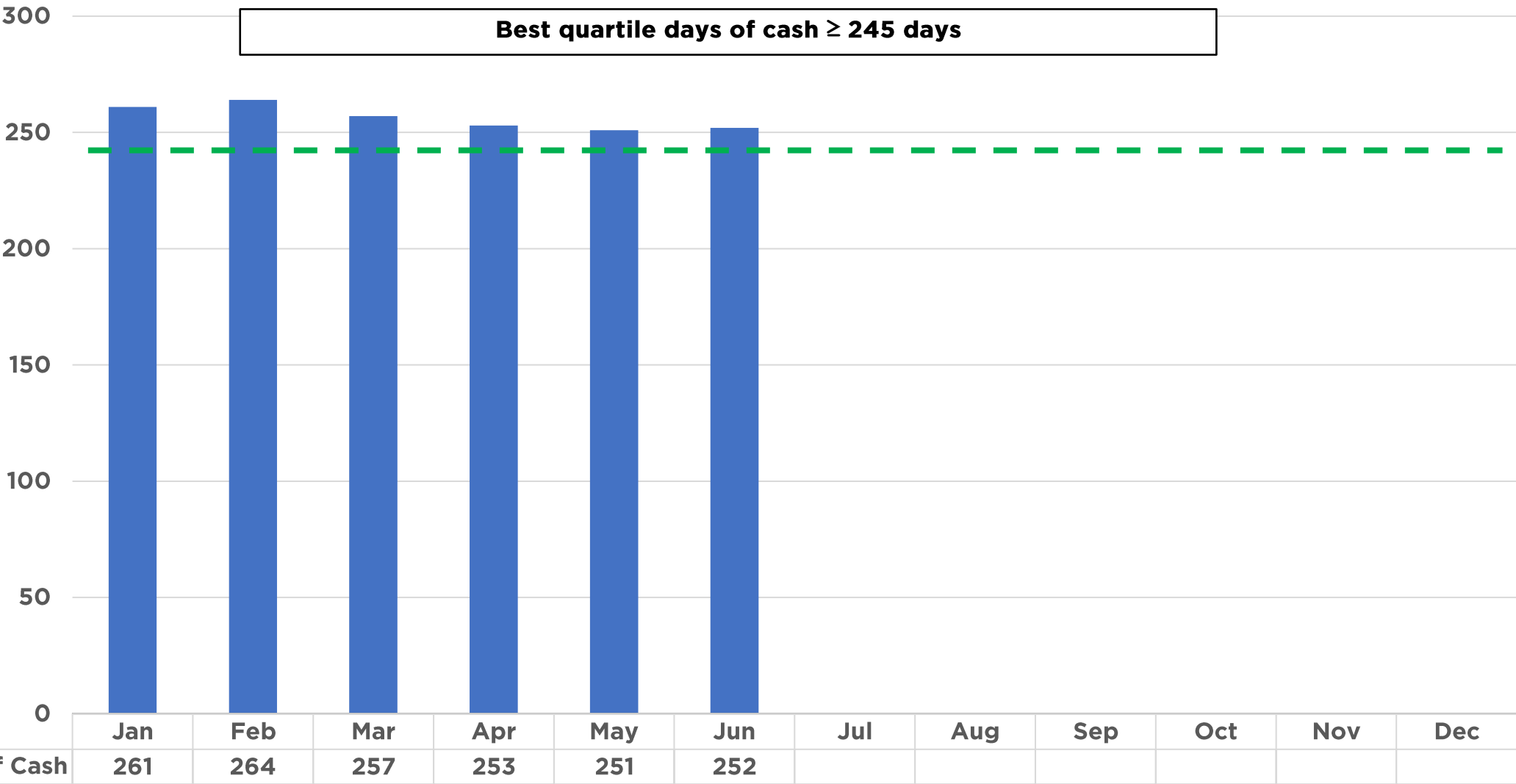
- Funds for Operating Activities
- Funds for Construction from Revenue Projects
- Funds for Non-Nuclear Decommissioning
- Funds from Settlements for Offset of Future Costs
- CNS Collections for Various Purposes
- Customer and Other Deposits
- Funds Collected for Lease Payments and Taxes



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total</b>	<b>\$736</b>	<b>\$743</b>	<b>\$724</b>	<b>\$712</b>	<b>\$709</b>	<b>\$712</b>						
<b>■ Retail Rate Stabilization Fund</b>	<b>\$55</b>	<b>\$55</b>	<b>\$56</b>	<b>\$57</b>	<b>\$57</b>	<b>\$57</b>						
<b>■ Transmission Rate Stabilization Fund</b>	<b>\$32</b>	<b>\$32</b>	<b>\$32</b>	<b>\$31</b>	<b>\$31</b>	<b>\$31</b>						
<b>■ Production Rate Stabilization Fund</b>	<b>\$172</b>	<b>\$162</b>	<b>\$156</b>	<b>\$156</b>	<b>\$159</b>	<b>\$156</b>						
<b>■ Cash - Other</b>	<b>\$477</b>	<b>\$494</b>	<b>\$480</b>	<b>\$468</b>	<b>\$462</b>	<b>\$468</b>						

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

# Days of Cash balance remains stable and remains in best quartile



**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.**





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## Questions

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