



FISCAL YEAR OPERATING BUDGET 2024-2025

June 2024

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CEO Message

As we approach the next fiscal year, let's take a moment to reflect on the incredible journey we have embarked upon. Along the way, we encountered challenges, yet we have also witnessed remarkable growth and demonstrated unwavering resilience. Our journey has been replete with surprises, including audit pressures, agency withdrawals, and industry-wide hurdles, such as fluctuating supply and demand and rising energy costs. Despite these obstacles, our steadfast dedication and strategic approach have propelled us to great success. Looking ahead, I am confident that we are well-equipped to make significant strides in our mission to empower our communities to make informed choices about their energy future, provide more renewable energy resources at affordable prices, and assist our communities in their drive toward a more sustainable future.

Key Highlights:

- The establishment of a Rate Stabilization Reserve Fund exceeding \$100 million marks a significant milestone in our financial preparedness. This strategic foresight positions us to manage unforeseen fiscal shifts, ensuring stability and growth.
- Our response to audits and challenges has been rigorous yet constructive, leading to the implementation of a comprehensive improvement plan that underscores our dedication to transparency and accountability.
- Our strategic objectives for 2023-2026 focus on community enrichment, fiscal sustainability, and the pursuit of an advanced sustainable electric grid. These goals aim to amplify our impact, reach new heights in service excellence and market competitiveness, elevate OCPA's visibility, educate on the benefits of clean energy, and build an exceptional team.
- Despite competitive pressures, we have maintained favorable rates for our customers. We stay ahead by offering energy programs such as Net Energy Metering 2.0, which includes Surplus Compensation at 10% above the utility's rates, highlighting our dedication to providing affordability and value to our customers.
- Being recognized by the National Renewable Energy Laboratory as one of the top U.S. Green Power providers not only bolsters our reputation but also reinforces the tangible environmental impact of our initiatives.
- Our environmental impact is substantial, with our initiatives equivalent to taking approx. 72,000 gasoline-powered vehicles off the road.



CEO Message (Continued)

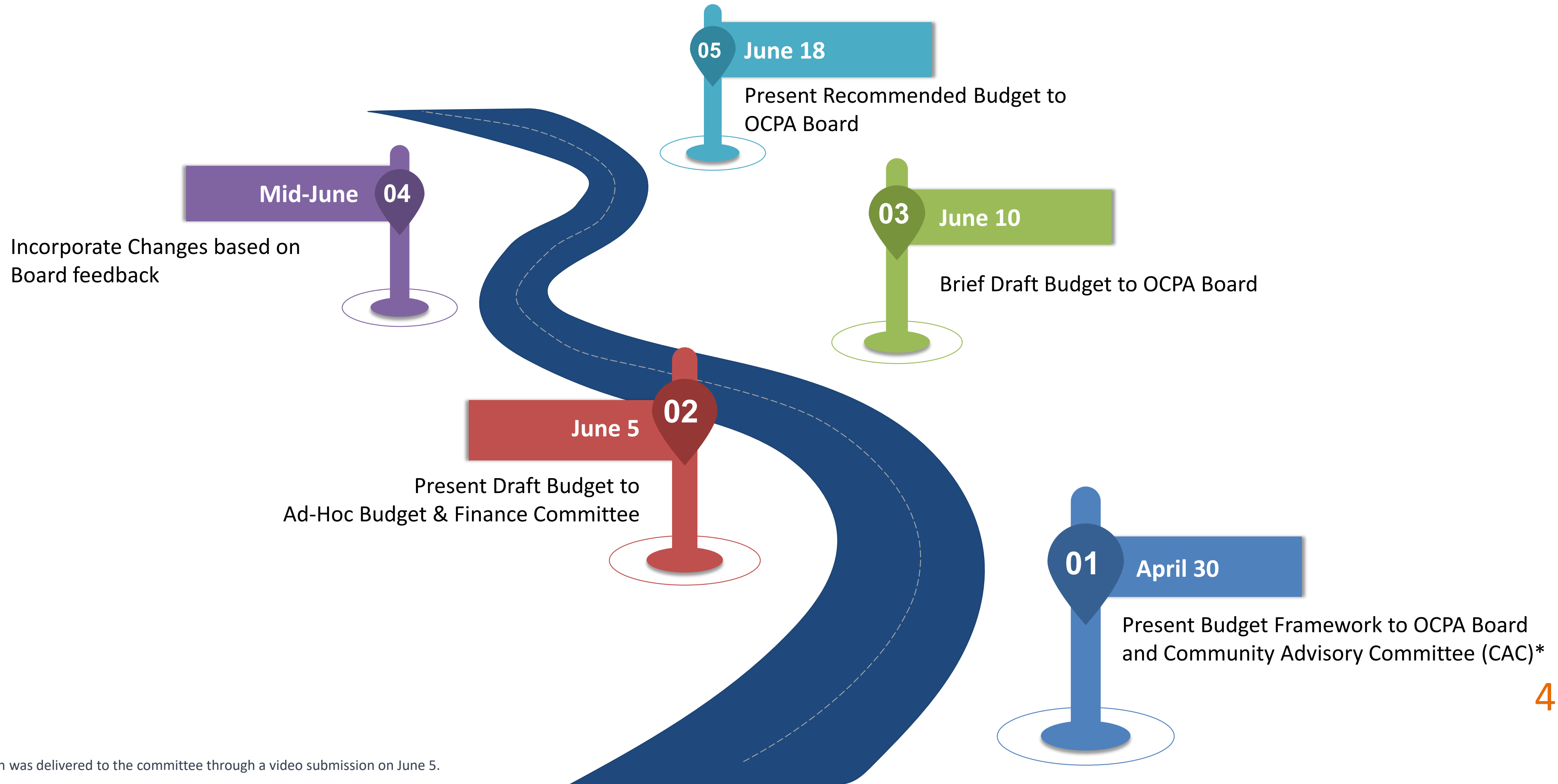
Our budgeting strategy for the upcoming fiscal year aims to sustain our success by investing in resources that support our strategic goals. This includes allocating funds to expand our community engagement and education efforts to raise awareness and adoption of clean energy solutions. We aim to continuously improve our team's capabilities through training and development, attract top talent, and foster a culture of excellence. Additionally, we plan to research and develop innovative energy solutions to provide competitive advantages and address future challenges in the energy landscape.

In conclusion, our plans are meticulously designed for sustainable growth, resilience, and the continued pursuit of excellence in serving our communities and the environment. The budget for FY2024/25 is not just a financial plan but a roadmap for achieving our mission to provide renewable energy at competitive rates and equitably reinvest to support sustainable communities.



Joe Mosca
Chief Executive Officer

FY24/25 Budget Roadmap



*The presentation was delivered to the committee through a video submission on June 5.

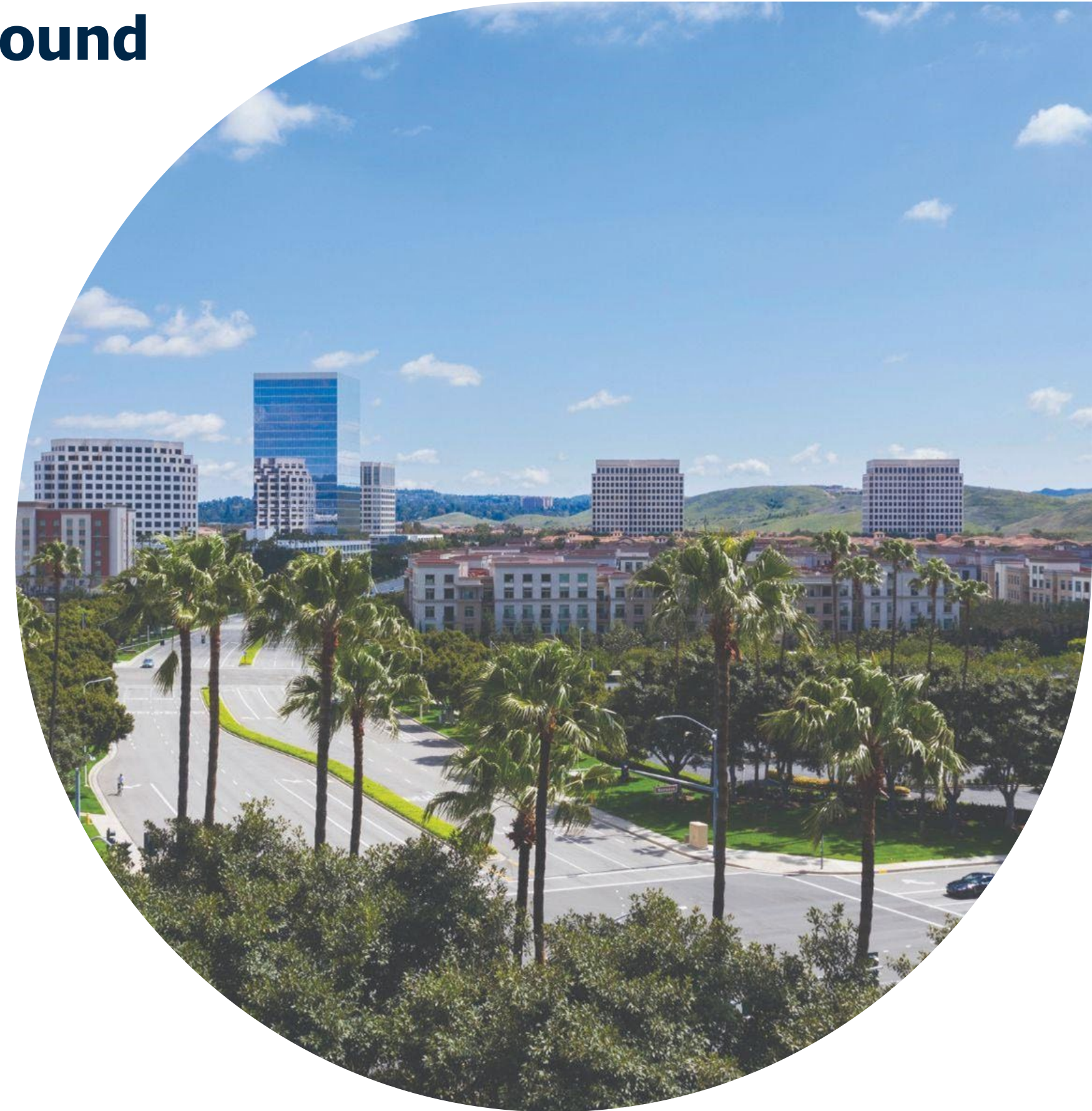


OCPA FY2024/25 Operating Budget - Background

Staff is pleased to present a balanced budget for Fiscal Year 2024-25, which marks the second year of full operations for OCPA. The budget is developed based on the board-approved strategic goal of prioritizing fiscal sustainability and affordability.

OCPA's budget will be updated annually and amended mid-year to balance immediate needs with long-term considerations and rate affordability. It outlines the estimated revenues and costs for the fiscal year running from July 1 to June 30.

The proposed budget is structured into two categories: revenues and expenses. These categories are intentionally designed to be general, providing flexibility without the need for frequent budget adjustments.



OCPA FY2024/25 Operating Budget - Highlights

- 1. Financially Strong:** Establish a robust net position of \$17 million and anticipate building our Net Rate Stabilization Reserves* to \$103 million. Cover 128 days or 41% of budgetary operating expenses by June 30, 2025.
- 2. Affordable Rates:** Our Basic Choice rates, which ensure 44% renewable energy, are offered at a 3% discount relative to SCE's equivalent generation rates. Smart Choice rates provide 72% renewable energy, adding 1c/per kWh to Basic Choice rates. 100% Renewable Choice rates add 1.5c/kWh to Basic Choice rates. Therefore, a 3% discount to Basic Choice rates is applied proportionally across **all** three rate plans.
- 3. Competitive Net Energy Metering Program:** Maintain NEM 2.0 benefits with Net Surplus Compensation (NSC) at 10% above SCE's NSC rate.
- 4. Clean and Renewable Procurement Strategy:** Engage in long-term contracts for clean and renewable generation resources to fulfill a significant portion of OCPA's electric demand.
- 5. Talented Workforce:** Plan to hire four additional full-time employees to provide sufficient coverage of essential functions.
- 6. Public Outreach:** Enhance our investment in marketing and public outreach to amplify awareness of OCPA's clean energy mission and objectives.
- 7. Advancing Local Climate Solutions:** Deliver reliable, affordable, clean electricity and electrification programs that reduce greenhouse gas emissions and fortify our local economy.



Recommended OCPA Operating Budget FY2024/25



(\$ in thousands)	Approved Mid-Year Budget FY 2023/24	% of Rev	Reforecast FY2023/24	% of Rev	Proposed Budget FY2024/25	% of Rev	Change \$	Change %
Period Ending Jun 30								
REVENUE AND OTHER SOURCES								
Revenue - Electricity Base	357,409		355,906		283,591			
Revenue - Smart Choice Premium	4,582		4,512		4,797			
Revenue - 100% Renewable Premium	24,097		24,238		20,364			
Less: Uncollectible Accounts	(5,657)	(1.5%)	(5,632)	(1.5%)	(5,403)	(1.8%)	229	
Net Revenue - Electricity	380,430	99.5%	379,023	99.4%	303,349	99.2%	(75,674)	(20.0%)
Investment and Miscellaneous Income	1,760	0.5%	2,201	0.6%	2,400	0.8%	199	9.1%
Total Net Revenue and Other Sources	382,191	100.0%	381,224	100.0%	305,749	100.0%	(75,475)	(19.8%)
EXPENDITURES AND OTHER USES								
CURRENT EXPENDITURES								
Cost of Energy	296,657	77.6%	306,279	80.3%	272,532	89.1%	(33,748)	(11.0%)
Data Manager	2,539	0.7%	2,549	0.7%	1,960	0.6%	(589)	(23.1%)
Utilities Service Fees	606	0.2%	552	0.1%	563	0.2%	12	2.2%
Staffing Costs	3,980	1.0%	3,110	0.8%	6,719	2.2%	3,609	116.0%
Contract Services	1,716	0.4%	1,470	0.4%	1,614	0.5%	143	9.7%
Legal Services	675	0.2%	556	0.1%	711	0.2%	155	27.9%
Marketing and Customer Enrollment	2,246	0.6%	2,162	0.6%	2,055	0.7%	(107)	(5.0%)
Other G&A	967	0.3%	965	0.3%	1,525	0.5%	560	58.0%
Energy Programs	750	0.2%	185	0.0%	1,000	0.3%	815	439.2%
	310,134	81.1%	317,829	83.4%	288,678	94.4%	(29,150)	(9.2%)
OTHER USES								
Capital Outlay	100	0.0%	0	0.0%	382	0.1%	382	0.0%
Total Other Uses	100	0.0%	0	0.0%	382	0.1%	382	0.0%
DEBT SERVICE								
Interest costs - nonoperating	463	0.1%	464	0.1%	72	0.0%	(392)	(84.5%)
Finance costs - Principal	32	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Expenditures and Other Uses	310,730	81.3%	318,293	83.5%	289,132	94.6%	(29,161)	(9.2%)
Net Income (Surplus/Deficit)	71,461	18.7%	62,931	16.5%	16,616	5.4%	(46,314)	(73.6%)
Key Statistics:								
Total Load (MWh) - Retail	2,589,417		2,596,282		2,112,432			
\$/MWh - Net Electricity Sales	\$ 146.92		\$ 145.99		\$ 143.60			
Total Load (MWh) - Wholesale	2,744,782		2,752,059		2,239,178			
\$/MWh - Cost of Energy	\$ 108.08		\$ 111.29		\$ 121.71			



OCPA FY2024/25 Operating Budget - Overview

\$ in thousands Period Ending June 30	FY2023/24 Rereforecast	% of Revenue	FY2024/25 Proposed Budget	% of Revenue
Net Revenue	\$381,224	100%	\$305,749	100%
Less : Cost of Energy	\$(306,279)	80.3%	\$(272,532)	89.1%
Data Manager & IOU Services	\$(3,100)	0.8%	\$(2,523)	0.8%
Staffing	\$(3,110)	0.8%	\$(6,719)	2.2%
Contract Services	\$(1,470)	0.4%	\$(1,614)	0.5%
Legal & Lobbying Services	\$(556)	0.1%	\$(711)	0.2%
Marketing & Outreach	\$(2,162)	0.6%	\$(2,055)	0.7%
General & Admin	\$(965)	0.3%	\$(1,525)	0.5%
Energy Programs	\$(185)	0.0%	\$(1,000)	0.3%
Capital Expenditures	\$0	0.0%	\$(382)	0.1%
Debt Services	\$(464)	0.1%	\$(72)	0.0%
Net Position (bottom line)	\$62,931	16.5%	\$16,616	5.4%
Reserve Before Adjustments	\$101,468		\$118,084	
Net Rate Stabilization Reserve Fund*	\$86,223		\$102,839	
Reserve as a % of operating expenses	32%		41%	

- Key Notes:**
- FY2024/25 is a balanced budget with net position of \$17mil
 - Cost of Energy is projected at \$273mil or 94% of operating expenses
 - Non-Power Supply Expenses are projected at \$16mil or 6% of operating expenses

*Net Rate Stabilization Reserve Fund = Total accumulated reserve minus Restricted Cash Collateral Posting for Power Suppliers' Agreements



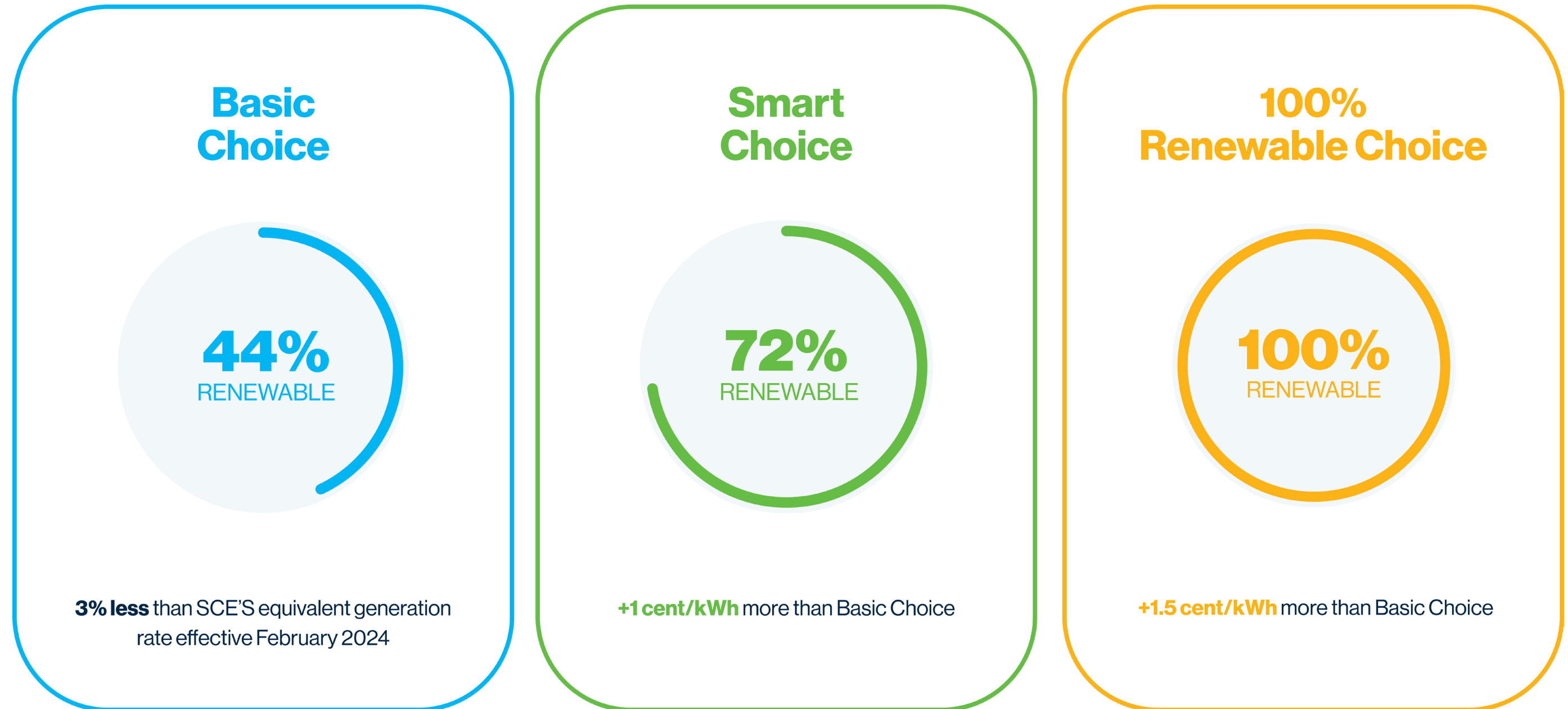
OCPA Revenue Assumptions – Key Highlights

- OCPA's primary source of revenue stems from the retail sale of electricity to customers, facilitated through OCPA's generation rates. These rates are strategically devised to cover various costs, including power procurement, operating expenses, non-operating expenses, capital expenditures, and the funding of the rate stabilization reserve.
- Demand Forecast: Total retail load consumption is estimated at 2,112 GWh, inclusive of the residential customers from the Cities of Buena Park, Fullerton, and Irvine.
- Utilization of OCPA's Own Dataset: Customer count and load consumption are based on a combination of actual customer reports from SCE and Calpine.
- 2024 OCPA Rates (July through December 2024) are based on the Board approved 2024 Rate Design:
 - Basic Choice at a 3% discount to SCE's equivalent generation rates
 - Smart Choice at Basic Choice plus 1c/kWh
 - 100% Renewable Choice at Basic Choice plus 1.5c/kWh
- 2025 and Future OCPA Revenues: Sufficient to cover the costs of power purchase, operational expenses, debt services, and targeted reserves.
- Uncollectible Accounts: Remains at 1.75% of operating revenue.



OCPA Revenue Assumptions – 2024 Rate Design

Effective February 2024, OCPA's new rate design will offer a 3% discount on the Basic Choice renewable energy plan generation rate compared to SCE's equivalent generation rate, providing significant relief to all customers.





OCPA Cost of Energy Assumptions – Key Highlights

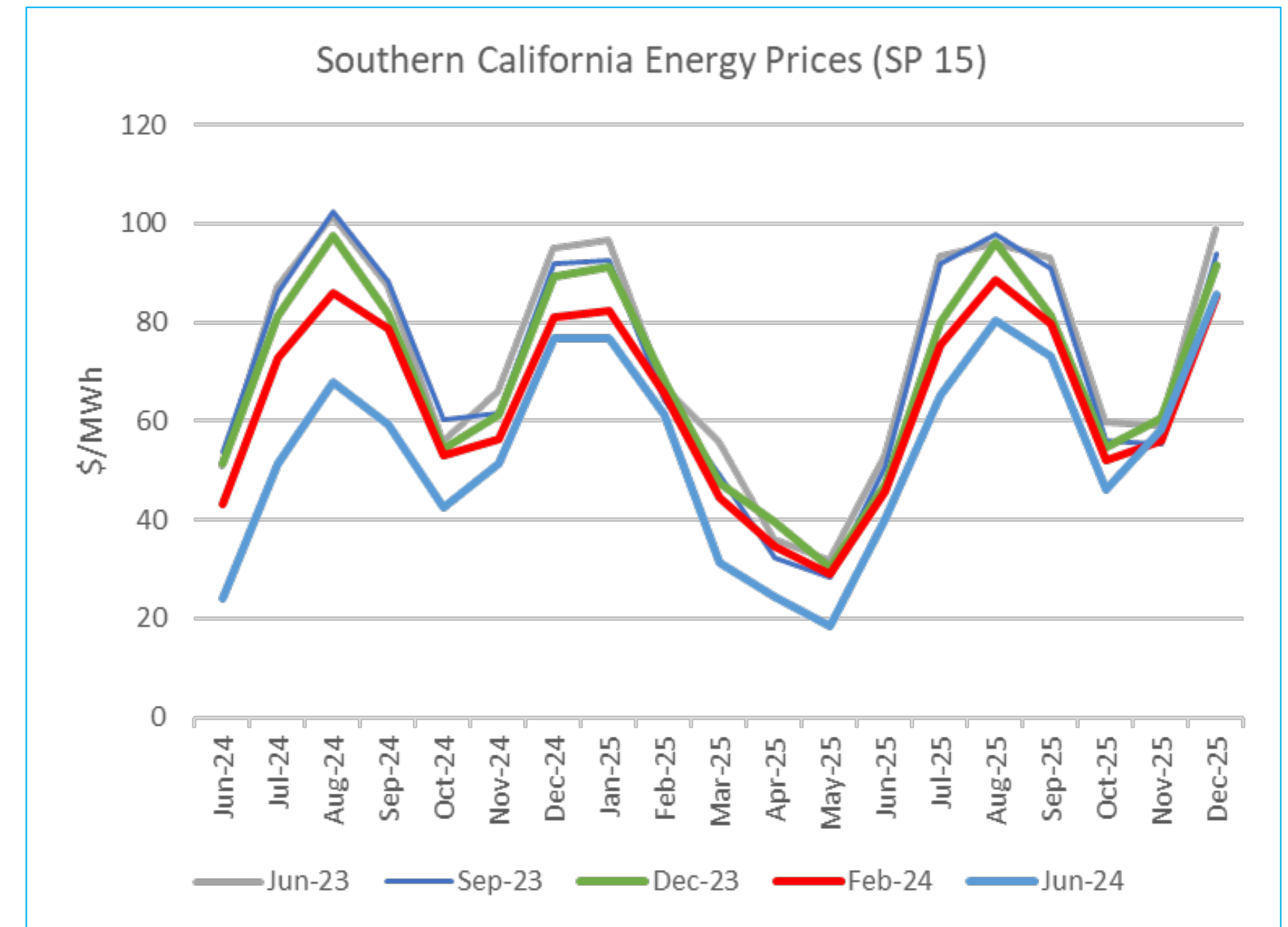
The evolving energy landscape in California, with the increasing number of market participants and requirements for renewable energy integration, prompts regulators to consider rules for addressing grid reliability. OCPA closely monitors these changes and adjusts procurement strategies accordingly. However, the budget is being formed amidst challenges such as supply chain disruptions, rising renewable energy (PCC1) prices, generation capacity shortages, and regulatory mandates driving up prices for new generation sources. Below are the key assumptions for power supply cost in FY24/25:

- Wholesale Purchase: Estimated at 2,239 GWh, 6% higher than estimated sales to account for system and distribution losses.
- Cost of Energy consists of two major components:
 - Energy: Predominantly system energy, eligible renewable energy, and CAISO fees, estimated at \$246 million or 90% of total power supply cost.
 - Resource Adequacy (RA): A reliability obligation requiring generating capacity committed to operating when needed for system reliability, estimated at \$27 million or 10% of total power supply cost.
- Forecast Contracts: OCPA utilizes forward contracts to secure energy supply in advance, ensuring the sufficiency of resources and promoting cost certainty for OCPA's budget.
- Competitive Net Energy Metering (NEM) program: OCPA maintains its NEM 2.0 benefits with Net Surplus Compensation (NSC) at 10% above SCE's NSC rate for solar customers. The estimated total payout for OCPA's NEM customers in FY24/25 amounts to \$500k.



OCPA Cost of Energy Assumptions – System Energy

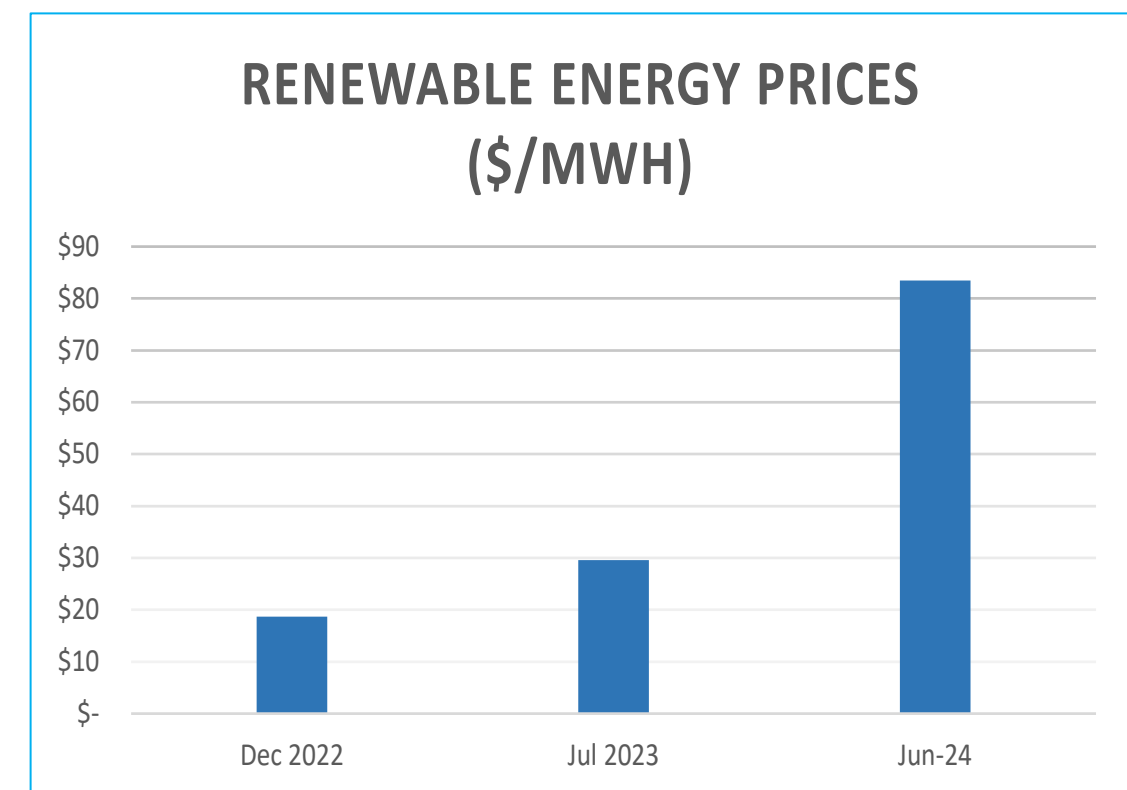
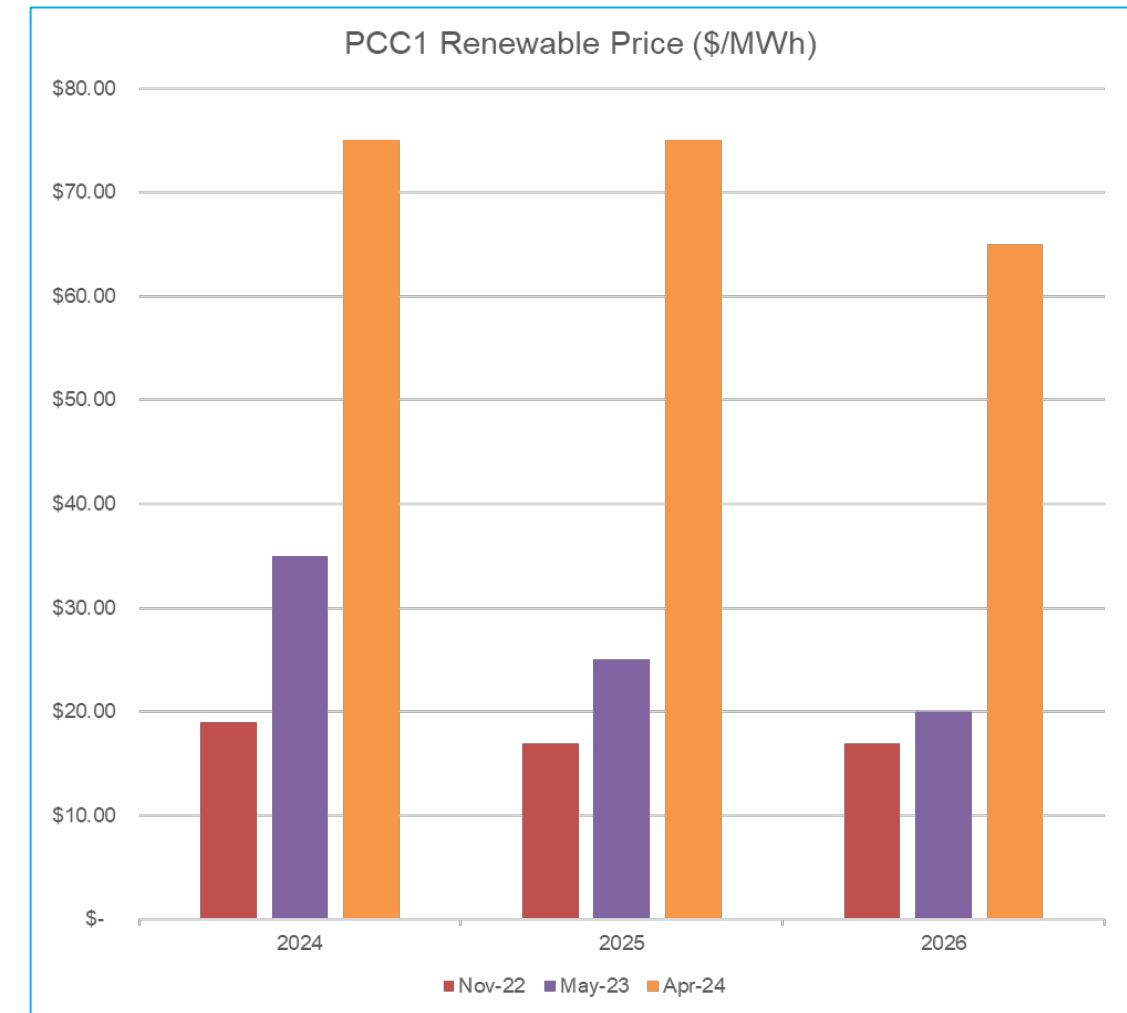
- Power market price volatility makes budget projections more uncertain.
- Reductions in Western US natural gas prices have been the primary driver of recent declines in wholesale energy prices.
- 12-month forward prices are down 17% on average vs. June 2023.
- Hedging program helps stabilize costs:
 - Currently hedged ~ 95% fixed price energy contracts provide price certainty for load scheduled through CAISO.
 - Remaining ~5% exposed to volatile market prices.





OCPA Cost of Energy Assumptions – Eligible Renewable Energy

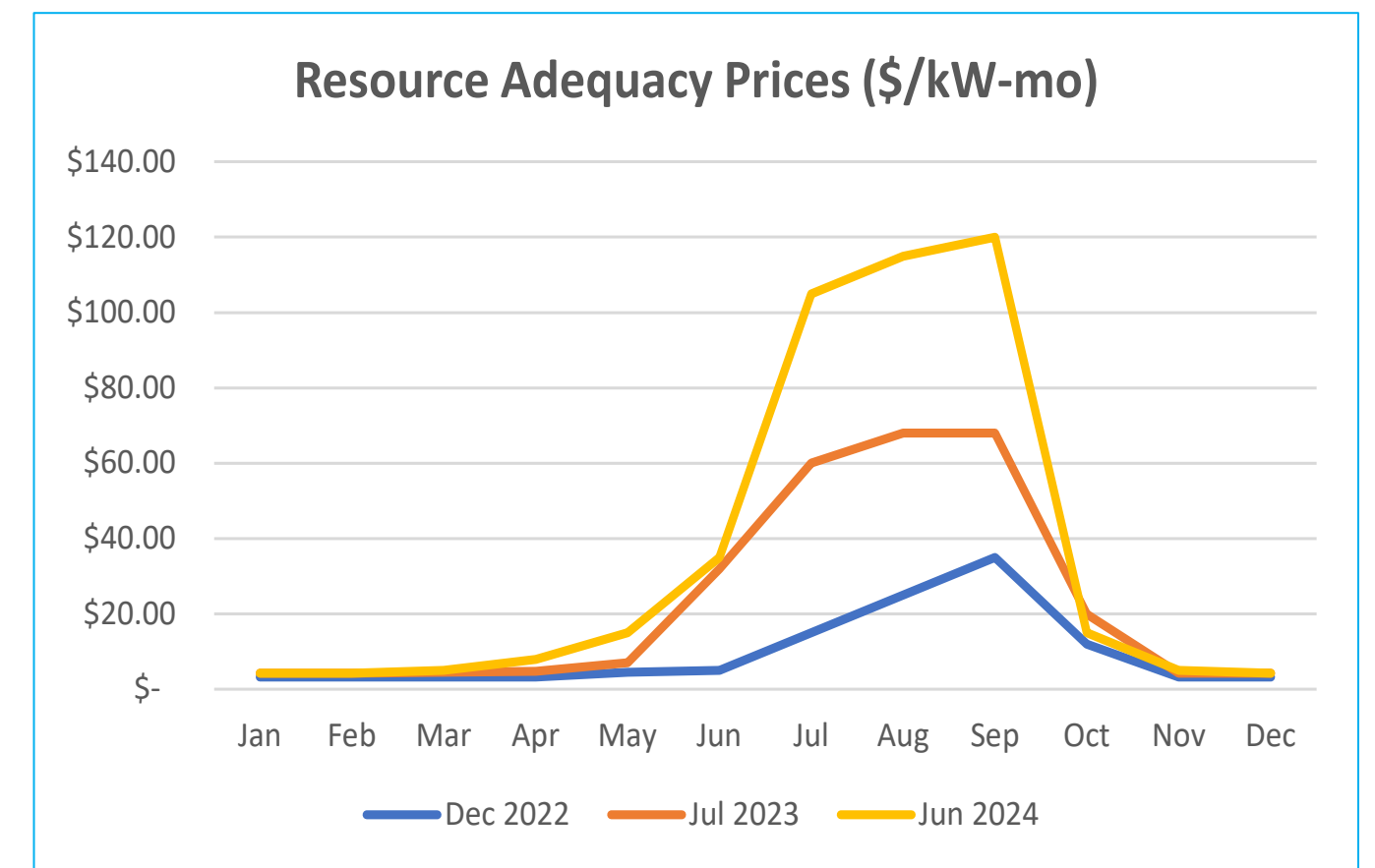
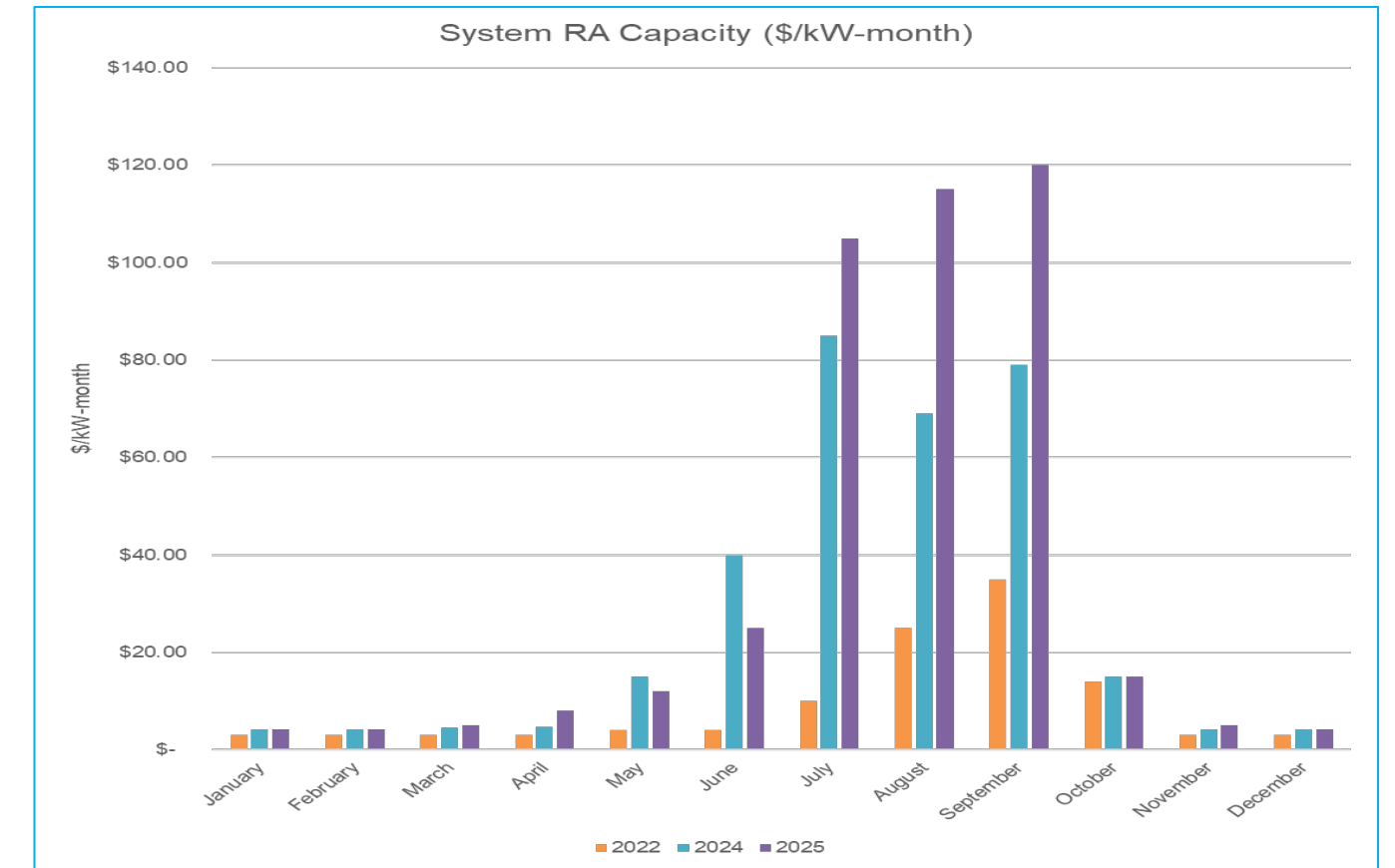
- Eligible Renewable Energy (RPS) prices are up nearly 400%.
- 2025 PCC1 prices have risen to \$80-85/MWh vs \$15-20/MWh over the past several years. PCC1 markets remain tight, expecting that prices may increase above current levels.
- Ongoing incremental procurement orders, supply chain challenges, curtailments, and increased voluntary RPS targets have reduced the pipeline of available projects.
- Seller credit expectations have generally increased, particularly for non-investment grade buyers.
 - Currently hedged ~ 126% of legally required renewable requirements and 68% of total renewable energy needs are under contract for FY2024/25.
 - Remaining ~32% is needed to meet voluntary renewable portfolio content standards associated with OCPA retail product offerings.





OCPA Cost of Energy Assumptions – Resource Adequacy

- Resource Adequacy (RA) prices in the summer months have more than tripled over the last three years.
- Q3 2025 RA pricing has moved above \$100/kW-month.
- Increased demand due to higher state-mandated planning reserve margins and zero tolerance compliance policy at CPUC.
- Supply constraints due to lower Net Qualifying Capacity (“NQC”) values for intermittent resources, natural gas plant retirements, new-build project delays and stricter import capacity requirements.
 - Currently hedged ~ 100% of month-ahead RA positions are covered.
 - OCPA is substantially insulated from further RA pricing changes in 2024 and 2025.
 - The new slice-of-day framework may require some portfolio-balancing transactions. The 2025 requirements will be known in July.





Operating Expenses Highlights: Data Management & Utility Service Fees

OCPA's operating expenses are categorized into 8 categories: Data Management & Utility Service Fees, Staffing Costs, Professional Contracts, Legal & Lobbying Support, Marketing and Outreach, General and Administration, Energy Programs, and Capital Expenditures. In addition, OCPA's budget accounts for non-operating debt service expenses associated with interest and related costs used to finance its operations. The expense assumptions are outlined as follows:

Data Management & Utility Service Fees

- Data management services primarily include billing data validation, bill coordination with investor-owned utility (IOU), and call center operations provided by Calpine. Calpine will waive the data management fees of \$466k due to the waiver of service fees clause in the contract.
- Utility services provided by SCE primarily include meter data posting and customer billing processing charges that are mandatory and regulated by the California Public Utilities Commission (CPUC).

\$ in thousands	FY24/25 Budget	% of rev
Period Ending June 30		
Data Management Fee	\$2,426	0.8%
Less: Fee Waiver	(\$466)	
Net Data Management Fee	\$1,960	0.6%
Utility Service Fee	\$563	0.2%
Customer Accounts	177,000	



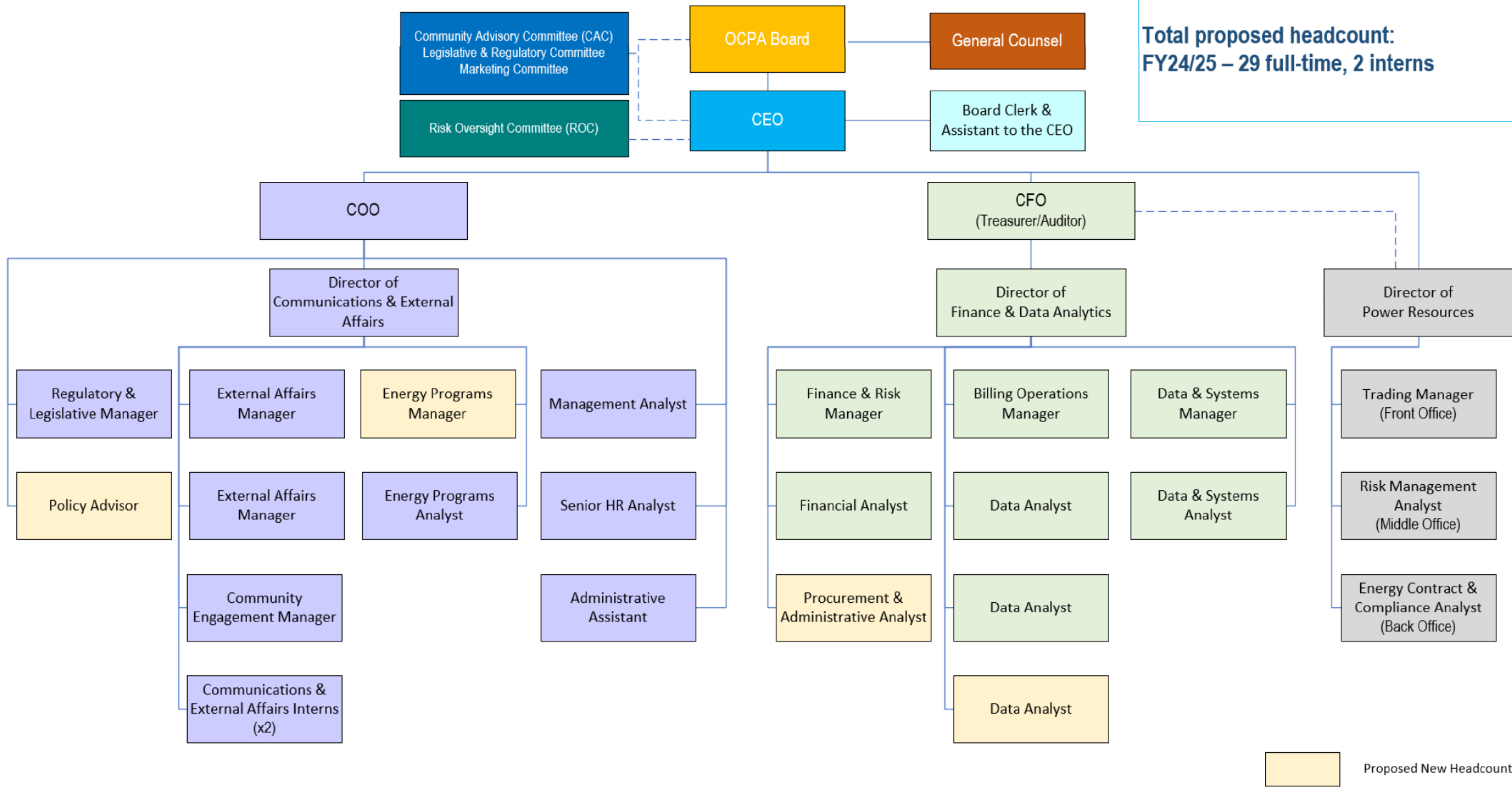
Operating Expenses Highlights: Staffing Costs

- Staffing costs include salaries, payroll taxes, benefits for staff, and board member stipends. These projections will account for potential cost-of-living adjustments (COLA), recruitment of newly approved headcounts, full-year financial effects of existing staff, merit-based salary increases, and changes in employee benefits. Staff will adjust salary projections during the FY24/25 Mid-Year budget update to align with actual figures.
- Approved FY23/24 full-time equivalents (FTEs) are 26 and 2 interns.
- Propose adding 4 additional FTEs for FY24/25 to ensure sufficient coverage of essential functions as we move into a growth phase:
 - Policy Advisor – Represents OCPA before regulatory agencies and in administrative proceedings before state and federal agencies; manages relationships with key stakeholders in California's energy market.
 - Energy Programs Manager – Designs and implements energy programs to enhance OCPA's focus on reinvesting in its communities and customers through a robust Community Power Plan.
 - Procurement & Administrative Analyst – Serves as the central point for all non-power supply purchases, ensuring competitive costs and compliance with various procurement policies.
 - Data Analyst – Analyzes load reduction-related demand response programs and conducts feasibility studies for potential new member agencies.

FY24/25 Budget Assumption – Proposed Organizational Chart

Organizational Structure

Total proposed headcount:
FY24/25 – 29 full-time, 2 interns





Operating Expenses Highlights: Cost-of-Living Adjustments (COLA)

- Propose to offer Cost-of-living adjustment (COLA) effective January 2025. This adjustment is designed to counteract inflation and will be based on the April 2024 Consumer Price Index (CPI) for the LA-Long-Beach-Anaheim area. The budgetary salary maximum pay range will be updated accordingly. To reflect the COLA increase.
- For FY24/25, the COLA assumption is budgeted at 3.9%. Only full-time employees who have been employed before December 2024 will receive the Jan 2025 COLA on a pro-rata basis (For example, Employee A, who joined OCPA in July 2024, will receive 50% or 1.95% of COLA adjustment in January 2025; Employee B, who joined OCPA in January 2025, will not receive any COLA adjustment in January 2025).

\$ in thousands Period Ending June 30	FY24/25 Budget	% of total	% of rev
Salaries	\$4,685	69.7%	
Benefits	\$1,751	26.1%	
COLA	\$142	2.1%	
Payroll Taxes	\$76	1.1%	
Board Stipends & Misc.	\$65	1.0%	
Total Staffing Costs	\$6,719	100%	2.2%
Total FTEs	29		
Estimated Customer Accounts per FTE	6,100		



Operating Expenses Highlights: Professional Contracts

OCPA follows industry best practices by initially engaging consultants during the early stages of operations and gradually enhancing its internal staffing capabilities to internalize certain non-industry technical tasks. Contract services include the following professional support services:

- Day-to-day accounting, annual financial audit, advanced metering infrastructure audit, OCPA rate strategies, SCE General Rate Case (GRC) assessment, SCE Energy Resource Recovery Account (ERRA) forecast review, IT, HR, strategic planning, credit rating strategies, and banking services.
- Power supply portfolio and risk management, short and long-term energy procurement and contracting, load forecasting, integrated resource planning, scheduling coordination, Congestion Revenue Rights (CRR) purchases and sales, and CAISO settlements and reporting.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
Power Supply & Related	\$821	
Accounting, Auditing & Banking	\$332	
IT, HR, Strategic Planning, Credit Rating Strategies	\$256	
Rate Strategies & Assessment	\$205	
Total Professional Contracts	\$1,614	0.5%



Operating Expenses Highlights: Legal & Lobbying Support Services

Legal Services include general counsel and special counsel representation of OCPA, support for power supply procurement transactions and negotiations, involvement in specific regulatory proceedings (e.g., SCE’s ERRA Applications, SCE GRC assessment, and other compliance obligations), non-energy contracting support, employment matters, governance and general liability management, clerk support, and regulatory and legislative advocacy.

For FY24/25, we plan to hire a lobbyist in Sacramento to gain insights into legislative sessions and specific bills, and to help amplify our advocacy efforts with the legislature and state departments.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
General Counsel	\$256	
Regulatory & Legislative	\$107	
Labor Related	\$101	
Clerk Support	\$101	
Power Procurement Transactional & Negotiation	\$96	
Sacramento Lobbying Support	\$50	
Total Legal & Lobbying Support Services	\$711	0.2%
Additional In-House Legal FTEs	None	



Operating Expenses Highlights: Marketing & Outreach

As a community-focused public agency, OCPA places a strong emphasis on engaging with its customers. Through various channels, we actively seek new opportunities to connect with and cultivate positive relationships with our customers. Our Marketing and Outreach services include:

- Continuing to build relationships with media outlets, creating a steady drumbeat of news around milestones, and ensuring balanced and positive stories.
- Developing a sustained outreach program through community events, sponsorships, and educational opportunities.
- Communicating in culturally relevant ways by providing easily accessible information in multiple languages to reach diverse communities.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
Marketing & Communications Consulting	\$954	
Advertising & Paid Media	\$551	
Direct Mailers & Postage	\$260	
Sponsorships & Memberships	\$198	
Promotions & Branding	\$60	
Translation, Website Enhancement & Misc.	\$32	
Total Marketing & Outreach	\$2,055	0.7%



Operating Expenses Highlights: General & Administration

Other General & Administrative expenses include ordinary business costs such as office rental, IT equipment and software, business insurance, bank fees, office supplies, conferences and professional development, travel, business meals, and miscellaneous operational expenses. This category also includes dues for memberships in the California Community Choice Association (CalCCA), California Community Power (CC Power), and the California Community Choice Financing Authority (CCCFA).

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
CalCCA, CC Power, and CCCFA Memberships Dues	\$440	
Office Rental	\$197	
IT Equipment and Software	\$145	
OCPA Data Analytic Platform	\$147	
Conferences & Professional Development	\$156	
Business Insurance	\$95	
Other Ordinary Business Expenses	\$345	
Total General & Administration	\$1,525	0.5%

- CalCCA represents the interests of California’s community choice electricity providers in the legislature and at state regulatory agencies.
- CC Power allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources, thus continuing to advance local and state climate goals.
- CCCFA enables its member CCAs to reduce the cost of power purchases through pre-payment structures.



Operating Expenses Highlights: Energy Programs

OCPA is committed to offering energy programs to its customers, which will serve as a significant catalyst for community reinvestment. These programs are specifically designed to assist households and businesses in transitioning from fossil fuel to cleaner energy solutions. They primarily target the transportation and building sectors, which are major contributors to greenhouse gas (GHG) emissions in Orange County.

- Launching the Community Power Plan, emphasizing diverse customer engagement, which will support the creation of customer programs in the upcoming years.
- Establishing grant opportunities for member agencies and customers to support electrification and energy efficiency initiatives.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
Energy Programs	\$1,000	0.3%



Non-Operating Expenses Highlights: Capital Expenditures

The budget allocation includes funds for OCPA’s long-term new office renovation. It is important to note that this expense will be offset by a tenant improvement credit of \$200k provided by Calpine.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
New Office Renovation:		
Furniture & Appliances	\$300	
AV Equipment & Installation	\$197	
Cabling & Security	\$85	
Calpine’s Tenant Improvement Credit	(\$200)	
Total Capital Expenditures	\$382	0.1%



Operating Expenses Highlights: Debt Services

- Debt services include the repayment of loan principal, associated interest, loan facility commitment fees, and fees for the issuance of letters of credit.
- OCPA plans to significantly reduce the issuance of letters of credit for energy supply collateral postings, from \$15.4 million to \$147k, by switching them to cash postings.

\$ in thousands Period Ending June 30	FY24/25 Budget	% of rev
Finance Costs – Loan Facility Commitment Fees	\$72	0.1%

5-Year OCPA Financial Proforma FY25/26 to 29/30

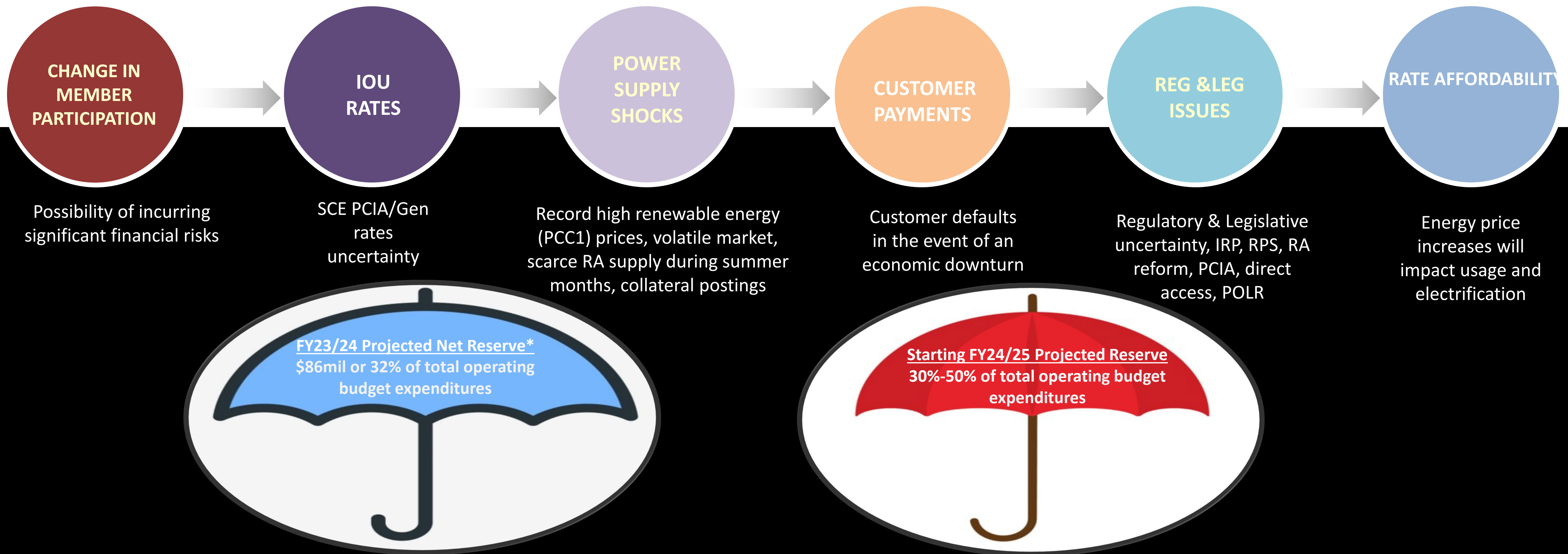
(\$ in thousands)														
Period Ending Jun 30	Reforecast FY2023/24	% of Rev	Budget FY2024/25	% of Rev	Projection FY2025/26	% of Rev	Projection FY2026/27	% of Rev	Projection FY2027/28	% of Rev	Projection FY2028/29	% of Rev	Projection FY2029/30	% of Rev
REVENUE AND OTHER SOURCES														
Revenue - Electricity Base	355,906	93.4%	283,591	92.8%	326,167	93.8%	358,873	94.4%	348,809	94.2%	301,130	93.0%	295,842	92.9%
Revenue - Smart Choice Premium	4,512	1.2%	4,797	1.6%	4,824	1.4%	4,867	1.3%	4,904	1.3%	4,940	1.5%	4,977	1.6%
Revenue - 100% Renewable Premium	24,238	6.4%	20,364	6.7%	20,443	5.9%	20,567	5.4%	20,721	5.6%	20,876	6.5%	21,033	6.6%
Less: Uncollectible Accounts	(5,632)	(1.5%)	(5,403)	(1.8%)	(6,150)	(1.8%)	(6,725)	(1.8%)	(6,553)	(1.8%)	(5,722)	(1.8%)	(5,632)	(1.8%)
Net Revenue - Electricity	379,023	99.4%	303,349	99.2%	345,284	99.3%	377,582	99.4%	367,881	99.4%	321,225	99.3%	316,220	99.2%
Investment and Miscellaneous Income	2,201	0.6%	2,400	0.8%	2,400	0.7%	2,400	0.6%	2,400	0.6%	2,400	0.7%	2,400	0.8%
Total Net Revenue and Other Sources	381,224	100.0%	305,749	100.0%	347,684	100.0%	379,982	100.0%	370,281	100.0%	323,625	100.0%	318,620	100.0%
EXPENDITURES AND OTHER USES														
CURRENT EXPENDITURES														
Cost of Energy	306,279	80.3%	272,532	89.1%	322,560	92.8%	304,253	80.1%	349,973	94.5%	299,942	92.7%	295,694	92.8%
Data Manager	2,549	0.7%	1,960	0.6%	2,245	0.6%	2,508	0.7%	2,575	0.7%	2,644	0.8%	2,715	0.9%
Utilities Service Fees	552	0.1%	563	0.2%	703	0.2%	708	0.2%	714	0.2%	719	0.2%	722	0.2%
Staffing Costs	3,110	0.8%	6,719	2.2%	7,458	2.1%	8,234	2.2%	9,050	2.4%	9,906	3.1%	10,806	3.4%
Contract Services	1,470	0.4%	1,614	0.5%	1,488	0.4%	948	0.2%	1,025	0.3%	1,003	0.3%	1,029	0.3%
Legal Services	556	0.1%	711	0.2%	746	0.2%	783	0.2%	826	0.2%	870	0.3%	870	0.3%
Marketing and Customer Enrollment	2,162	0.6%	2,055	0.7%	2,432	0.7%	2,552	0.7%	2,678	0.7%	2,811	0.9%	2,948	0.9%
Other G&A	965	0.3%	1,525	0.5%	1,480	0.4%	1,499	0.4%	1,525	0.4%	1,556	0.5%	1,587	0.5%
Energy Programs	185	0.0%	1,000	0.3%	1,250	0.4%	1,500	0.4%	1,750	0.5%	2,000	0.6%	2,250	0.7%
	317,829	83.4%	288,678	94.4%	340,362	97.9%	322,985	85.0%	370,115	100.0%	321,452	99.3%	318,620	100.0%
OTHER USES														
Capital Outlay	0	0.0%	382	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other Uses	0	0.0%	382	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
DEBT SERVICE														
Interest costs - nonoperating	464	0.1%	72	0.0%	72	0.0%	18	0.0%	0	0.0%	0	0.0%	0	0.0%
Finance costs - Principal	0	0.0%	0	0.0%	0	0.0%	3,257	0.9%	0	0.0%	0	0.0%	0	0.0%
Total Expenditures and Other Uses	318,293	83.5%	289,132	94.6%	340,434	97.9%	326,260	85.9%	370,115	100.0%	321,452	99.3%	318,620	100.0%
Net Income Surplus/(Deficit)	62,931	16.5%	16,616	5.4%	7,249	2.1%	53,721	14.1%	166	0.0%	2,173	0.7%	0	0.0%
Reserve Balance:														
Carryover balance	38,537	10.1%	101,468	33.2%	118,084	34.0%	125,333	33.0%	179,055	48.4%	179,221	55.4%	181,394	56.9%
Net Income Surplus/(Deficit)	62,931	16.5%	16,616	5.4%	7,249	2.1%	53,721	14.1%	166	0.0%	2,173	0.7%	0	0.0%
Reserve Balance Before Adjustments	101,468		118,084		125,333		179,055		179,221		181,394		181,394	
Restricted Cash Adjustments	(15,245)	(4.0%)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Adjustments	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Adjusted Ending balance	86,223		102,839		110,088		163,810		163,976		166,149		166,149	
% of operating expenses	32%		41%		37%		55%		48%		56%		57%	





OCPA Reserves Assumptions

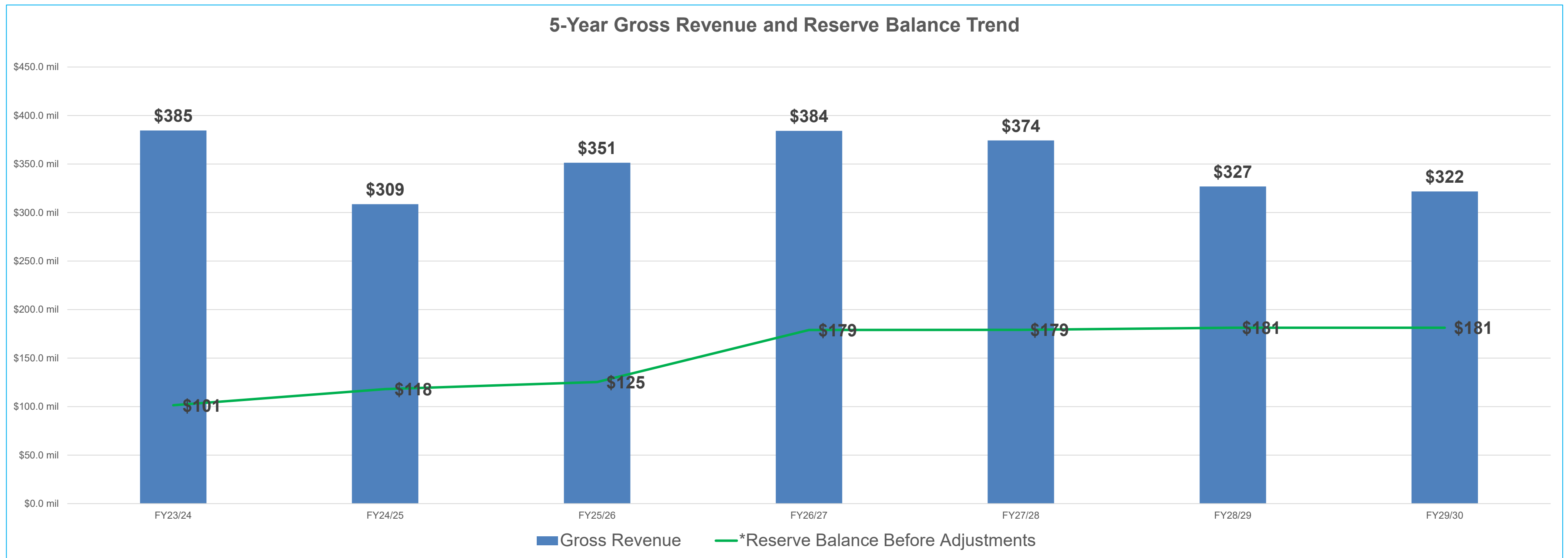
Maintaining healthy reserves to absorb numerous risks



*Net Reserve = Total accumulated reserve minus Restricted Cash Collateral Posting for Power Suppliers' Agreements

5-Year OCPA Financial Proforma – Rate Stabilization Reserve Fund Trend

OCPA has established a Rate Stabilization Reserve Fund (RSF) to formulate a long-term financial plan aimed at achieving an investment-grade credit rating and securing energy procurement at competitive prices. To minimize risks such as a potential decrease in SCE bundled generation rates and high energy cost spikes, OCPA may make withdrawals from the RSF to maintain competitive rates or address emergencies, subject to board approval. In the second year of full operations for OCPA, FY2024/25, the projected RSF balance before posting restricted cash as collateral is estimated to be \$118 million, which is equivalent to 41% of the total operating budget expenditures.



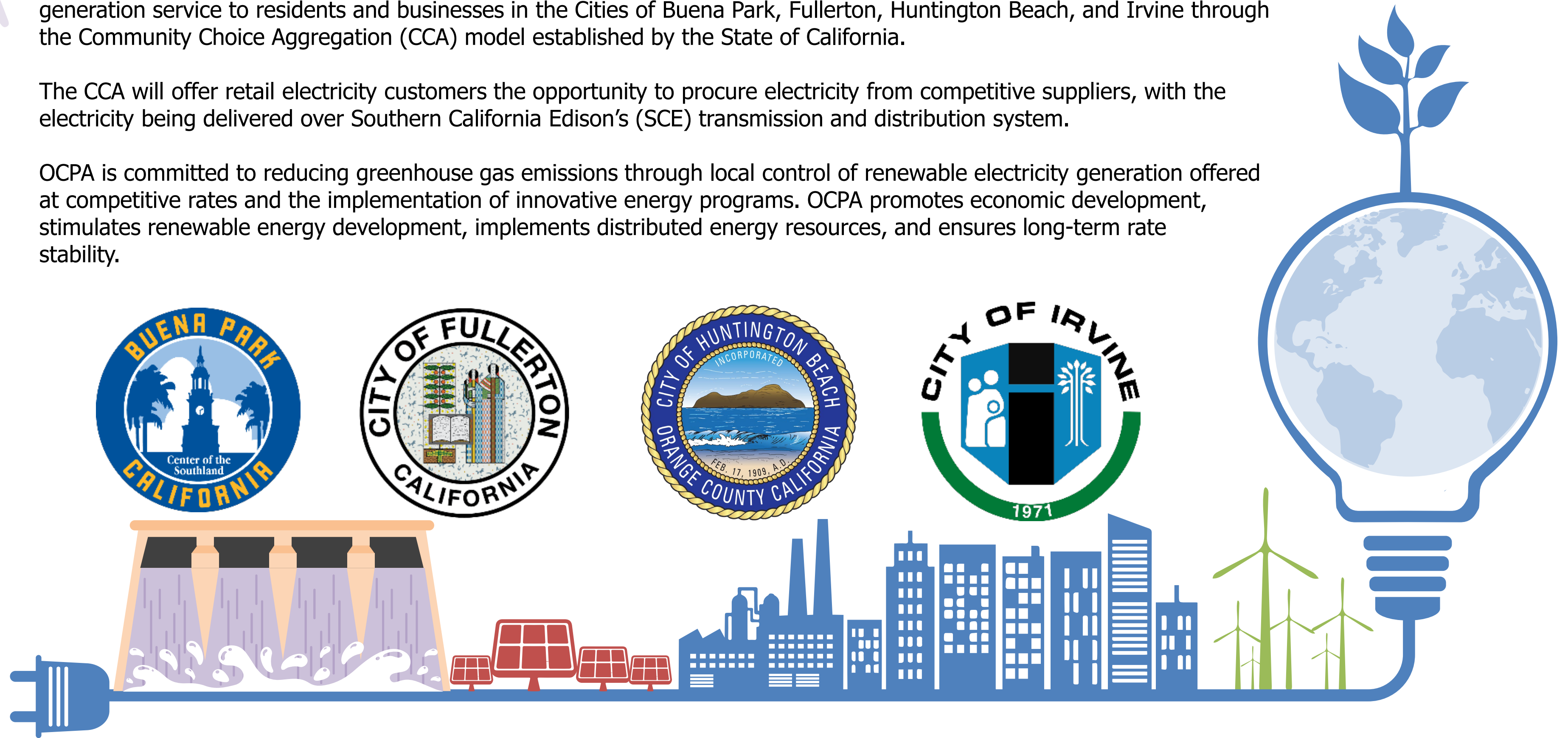
*Reserve Balance Before Adjustments = Total accumulated reserve before Restricted Cash Collateral Posting for Power Suppliers' Agreements

About OCPA

Orange County Power Authority (OCPA) is a Joint Powers Authority formed in November 2020 to provide electric generation service to residents and businesses in the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine through the Community Choice Aggregation (CCA) model established by the State of California.

The CCA will offer retail electricity customers the opportunity to procure electricity from competitive suppliers, with the electricity being delivered over Southern California Edison's (SCE) transmission and distribution system.

OCPA is committed to reducing greenhouse gas emissions through local control of renewable electricity generation offered at competitive rates and the implementation of innovative energy programs. OCPA promotes economic development, stimulates renewable energy development, implements distributed energy resources, and ensures long-term rate stability.



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